MEETING OF THE STATE BOARD OF ADMINISTRATION

GOVERNOR DESANTIS AS CHAIR
CHIEF FINANCIAL OFFICER PATRONIS
ATTORNEY GENERAL MOODY

July 25, 2019

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AGENDA

ITEM 1. **APPROVAL OF JUNE 4, 2019 MEETING MINUTES**

(See Attachment 1)

ACTION REQUIRED

ITEM 2. **A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $224,500,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY EIMBURSEMENT REVENUE BONDS, SERIES 2019A**

(See Attachment 2)

ACTION REQUIRED

ITEM 3. **A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $20,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (DAYTONA GARDENS APARTMENTS)**

(See Attachment 3)

ACTION REQUIRED

ITEM 4. **A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $11,050,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, 2019 (SERIES TO BE DESIGNATED) (OSPREY POINTE)**

(See Attachment 4)

ACTION REQUIRED

ITEM 5. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE FOR FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT, AND TO FILE THIS RULE FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

(See Attachment 5)

ACTION REQUIRED

ITEM 6. REQUEST APPROVAL OF THE 2019-2020 FLORIDA HURRICANE CATASTROPHE FUND RATEMAKING FORMULA REPORT REVISED JULY 25, 2019.

(See Attachment 6)

ACTION REQUIRED

ITEM 7. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE FOR FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.028, F.A.C., REIMBURSEMENT PREMIUM FORMULA, AND TO FILE THIS RULE, ALONG WITH THE INCORPORATED FORM, FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING, OR IF A HEARING IS REQUESTED BUT NO NOTICE OF CHANGE IS NEEDED.

(See Attachment 7)

ACTION REQUIRED

ITEM 8. REQUEST APPROVAL OF, AND AUTHORITY TO FILE, A NOTICE OF PROPOSED RULE FOR FLORIDA HURRICANE CATASTROPHE FUND RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS AND RESPONSIBILITIES, AND TO FILE THIS RULE, ALONG WITH THE INCORPORATED FORM, FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

(See Attachment 8)

ACTION REQUIRED

ITEM 9. **REQUEST APPROVAL OF THE APPOINTMENT OF TODD NEVILLE EFFECTIVE JULY 25, 2019 TO THE SBA AUDIT COMMITTEE (S. 215.444, F.S.)**

(See Attachment 9)

ACTION REQUIRED

ITEM 10. **REQUEST APPROVAL OF FLORIDA PRIME PROPOSED INVESTMENT POLICY STATEMENT**

(See Attachment 10)

ACTION REQUIRED

ITEM 11. **REQUEST APPROVAL OF FLORIDA PRIME 2019 BEST PRACTICES REVIEW**

(See Attachment 11)

ACTION REQUIRED

ITEM 12. **REQUEST APPROVAL OF 2019 LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND STATUTORY COMPLIANCE REVIEW**

(See Attachment 12)

ACTION REQUIRED

ITEM 13. **QUARTERLY REPORTS PURSUANT TO SECTION 215.44 (2)(e), FLORIDA STATUTES**

- Executive Director & CIO Introductory Remarks and Standing Reports
- Major Mandates Investment Performance Reports as of June 30, 2018
  - Florida Retirement System Pension Plan (DB)
  - Florida Retirement System Investment Plan (DC)
  - Florida PRIME (Local Government Surplus Funds Trust Fund)
  - Lawton Chiles Endowment Fund (LCEF)
  - Florida Hurricane Catastrophe Fund (FHCF)

(See Attachment 13)

STATE OF FLORIDA

Original
C & N Reporters

IN RE: MEETING OF THE GOVERNOR AND CABINET
_______________________________________/

CABINET MEMBERS: GOVERNOR RON DESANTIS
ATTORNEY GENERAL ASHLEY MOODY
CHIEF FINANCIAL OFFICER JIMMY PATRONIS
COMMISSIONER OF AGRICULTURE NIKKI FRIED

DATE: TUESDAY, JUNE 4, 2019

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER

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STATE BOARD OF ADMINISTRATION

GOVERNOR DESANTIS: All right. Ash Williams, SBA.

EXECUTIVE DIRECTOR WILLIAMS: Good morning, Governor.

GOVERNOR DESANTIS: Good morning.

EXECUTIVE DIRECTOR WILLIAMS: Trustees, Cabinet members.

CFO PATRONIS: Good morning.

EXECUTIVE DIRECTOR WILLIAMS: The first item is an update on Fund performance. This is a pre-item actually. Fiscal year to date through last night's close, the Fund is up 2.42 percent. That's 114 basis points ahead of target.

The Florida Retirement System Trust Fund stands at $157.7 billion. That's $2.8 billion less than it started the fiscal year net of approximately $7 billion in distributions for benefit payments.

Item 1, request approval of the March 12 meeting minutes.

GOVERNOR DESANTIS: Motion to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any objections?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 2.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Request approval of the April 2 meeting minutes.

GOVERNOR DESANTIS: Motion to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: No objections. The motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 3 is a fiscal determination in connection with Florida Housing Finance Corporation multifamily house refunding bonds for the Mary Bethune-Cookman High Rise in Tampa.

Request approval.

GOVERNOR DESANTIS: Motion to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any objections?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 4.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 4 is another fiscal determination. This in connection with another Florida Housing Finance Corporation financing; multifamily mortgage revenue bonds not to exceed $14 million for the acquisition and construction of 120 units of affordable housing, the Parrish Oaks in Manatee County.

GOVERNOR DESANTIS: Okay. Motion to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any objections?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 5.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 5, another fiscal determination for the Florida Housing Finance Corporation not to exceed $11 million. This is for the acquisition and rehab of affordable housing for Pembroke Tower Apartments in Broward County.

Request approval.

GOVERNOR DESANTIS: Motion to approve.
Is there a second?
CFO PATRONIS: Second.
GOVERNOR DESANTIS: Any objections?
(NO RESPONSE).
GOVERNOR DESANTIS: Hearing none, the motion carries.
Item 6.
EXECUTIVE DIRECTOR WILLIAMS: Thank you.
Item 6, request approval of a fiscal sufficiency relating to issuance not to exceed $55 million, Department -- Florida -- State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds.
Request approval.
GOVERNOR DESANTIS: Motion to approve.
Is there a second?
ATTORNEY GENERAL MOODY: Second.
GOVERNOR DESANTIS: No objections, the motion carries.
Item 7.
EXECUTIVE DIRECTOR WILLIAMS: Thank you.
Item 7 is a resolution of the Board of the SBA approving the fiscal sufficiency of an amount not to exceed $205 million, State of Florida Full Faith

and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds.

Request approval.

GOVERNOR DESANTIS: Motion to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: No objections, the motion carries.

Eight.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 8 is a request for approval for changes for the Comprehensive Investment Plan for the Florida Prepaid College Board. This was reviewed and approved by the College Board itself in a prior public meeting and makes adjustments for benchmarks and authority for their investment managers to be brought up to date and consistent with their mandates.

GOVERNOR DESANTIS: Motion to approve.

Is there a second?

CFO PATRONIS: Second.

GOVERNOR DESANTIS: Any objections?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 9.

EXECUTIVE DIRECTOR WILLIAMS: Item 9 is a request for approval of the quarterly report for the Protecting Florida's Investments Act.

And perhaps the key headliner here is that we've had very a positive outcome on the engagement with Airbnb in relation to the antiboycott divest and sanction Israel movement. As you know, we engaged them previously. They reversed their policy, and so we have removed them from the scrutinized list.

And by approving this report, you will confirm that action. So thank you for your support there.

The second item of interest is that one of the countries that has long been on this list is Sudan. There has been a coup there as of April 11 of this year, and the president has been deposed; however, it's unclear yet whether the successor government will, in fact, be a democratic one. Currently there's a military junta in charge, and it's ambiguous.

So I would not recommend a change there.

And the only other change would be with regard to Iran. We have added three companies to the Sudan -- to the scrutinized companies list. All of these are subsidiaries of the Russian Gazprom Company, which is an energy firm.

So I'd recommend and request approval of the report.

GOVERNOR DESANTIS: All right. Motion to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

CFO PATRONIS: Second.

GOVERNOR DESANTIS: Hearing no objection, the motion carries.

Next.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 10, request approval for the SBA's proposed budgets for the fiscal year. These include budgets for the State Board of Administration; the Florida Retirement System Investment Plan; the Florida Hurricane Catastrophe Fund; Division of Bond Finance; and the Florida Prepaid College Board.

GOVERNOR DESANTIS: Motion to approve.

Is there a second?

CFO PATRONIS: Second.

GOVERNOR DESANTIS: No objection, the motion carries.

All right. Thank you.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

* * * *

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Sufficiency
DATE: July 5, 2019

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $224,500,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY REIMBURSEMENT REVENUE BONDS, SERIES 2019A:

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the State of Florida Department of Transportation, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $224,500,000 State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A (the "Bonds") for the purpose of financing the construction, reconstruction, and improvement of projects that are eligible to receive federal-aid highway funds, and to pay the costs associated with the issuance of the proposed Bonds. The Bonds will be issued pursuant to an authorizing resolution and a sale resolution anticipated to be adopted by the Governor and Cabinet on July 25, 2019.

The proposed Bonds shall secured by federal highway aid reimbursements from the United States Department of Transportation Federal Highway Administration received by the State of Florida Department of Transportation for eligible highway projects under Title 23 of the United States Code. The proposed Bonds shall not be secured by a pledge of the full faith and credit or the taxing power of the State of Florida or any political subdivision thereof.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $224,500,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY REIMBURSEMENT REVENUE BONDS, SERIES 2019A

WHEREAS, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding $224,500,000 State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A (the "Bonds"), on behalf of the State of Florida Department of Transportation, for the purpose of financing the construction, reconstruction, and improvement of projects that are eligible to receive federal-aid highway funds, and to pay the costs associated with the issuance of the proposed bonds; and,

WHEREAS, the Bonds will be issued in one or more series pursuant to an authorizing resolution and a sale resolution anticipated to be adopted by the Governor and Cabinet on July 25, 2019; and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed bond issue as required by Section 215.73, Florida Statutes; and,

WHEREAS, Section 215.616, Florida Statutes, provides for the issuance of bonds payable from federal highway aid reimbursements for eligible projects; and,

WHEREAS, the proposed Bonds shall be payable from, and secured by, federal highway aid reimbursements from the United States Department of Transportation Federal Highway Administration received by the State of Florida Department of Transportation for eligible highway projects under Title 23 of the United States Code. The Bonds to be issued pursuant to the Resolution do not constitute general obligations or indebtedness of the State of Florida or any of its agencies; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body created by Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding $224,500,000 State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

ADOPTED July 25, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held July 25, 2019, approving the fiscal sufficiency of an amount not exceeding $224,500,000 State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 25th day of July 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

STATE OF FLORIDA
DIVISION OF BOND FINANCE

J. BEN WATKINS III
DIRECTOR

RON DESANTIS
GOVERNOR

ASHLEY MOODY
ATTORNEY GENERAL

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

NIKKI FRIED
COMMISSIONER OF AGRICULTURE

July 1, 2019

Mr. Ashbel C. Williams
Executive Director & CIO
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $224,500,000 State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A

Dear Mr. Williams:

In compliance with Section 215.73 Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting of July 25, 2019.

The proposed bonds will be secured by federal highway aid reimbursements from the United States Department of Transportation Federal Highway Administration received by the State of Florida Department of Transportation for eligible highway projects under Title 23 of the United States Code. The proposed bonds are being issued to finance the construction, reconstruction, and improvement of projects that are eligible to receive federal-aid highway funds.

The bonds will be issued in one or more series pursuant to an authorizing resolution and a sale resolution anticipated to be adopted by the Governor and Cabinet on July 25, 2019, which will authorize the issuance and sale of the proposed bonds.

The following documents are enclosed for your consideration:

Enclosure 1: an estimated coverage table based upon federal reimbursement projections provided by the State of Florida Department of Transportation;

Enclosure 2: an estimated debt service schedule for the proposed bonds;

Enclosure 3: a schedule showing the projected federal highway reimbursements and apportionments based on the April 3, 2019 Tentative Work Program as provided by the State of Florida Department of Transportation;

Enclosure 4: a draft of the authorizing resolution anticipated to be adopted by the Governor and Cabinet on July 25, 2019, authorizing the issuance of the proposed bonds; and

Enclosure 5: a draft of the sale resolution anticipated to be adopted by the Governor and Cabinet on July 25, 2019, authorizing the sale of the proposed bonds.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Charlie Yadon of this office for review. Should you have any questions please contact either myself, Donna Biggins, or Charlie Yadon at (850) 488-4782. Your consideration of this matter is appreciated.

Sincerely,

Kimberly J Nichols for

J. Ben Watkins III
Director

JBW/cy

Enclosures

cc: Janie Knight
Alexander Nottingham
Sharon Vice
Robert Copeland

Enclosure 1

State of Florida, Department of Transportation
Federal Highway Reimbursement Revenue Bonds, Series 2019A
Fiscal Sufficiency Request for Not to Exceed $224,500,000
Estimated Debt Service Coverage Coverage

Fiscal Year	Pledged Revenues [1]	Estimated Series 2019A Debt Service			Estimated Coverage
		Principal	Interest	Total [2]	
Historical					
2013	1,878,533,149				n/a
2014	2,330,008,453				n/a
2015	2,104,687,704				n/a
2016	2,356,608,869				n/a
2017	2,150,877,575				n/a
2018	2,388,238,383				n/a
Projected					
2019	2,046,202,708				n/a
2020	2,399,367,101	$ 14,105,000	$ 11,225,000	$ 25,330,000	94.72x
2021	2,463,444,112	14,810,000	10,519,750	25,329,750	97.25x
2022	2,307,983,562	15,550,000	9,779,250	25,329,250	91.12x
2023	2,172,906,327	16,325,000	9,001,750	25,326,750	85.79x
2024	2,107,066,326	17,145,000	8,185,500	25,330,500	83.18x
2025	2,115,269,800	18,000,000	7,328,250	25,328,250	83.51x
2026	2,178,581,539	18,900,000	6,428,250	25,328,250	86.01x
2027	2,252,048,029	19,845,000	5,483,250	25,328,250	88.91x
2028	2,298,907,804	20,840,000	4,491,000	25,331,000	90.75x
2029	2,298,907,804	21,880,000	3,449,000	25,329,000	90.76x
2030	2,298,907,804	22,975,000	2,355,000	25,330,000	90.76x
2031	2,298,907,804	24,125,000	1,206,250	25,331,250	90.75x
		$ 224,500,000	$ 79,452,250	$ 303,952,250	

[1] Source: State of Florida Department of Transportation. Pledged revenues include all federal highway aid reimbursements from the United States Department of Transportation Federal Highway Administration received each year by the State of Florida Department of Transportation with respect to federal-aid projects undertaken in accordance with the provisions of Title 23 of the United States Code. Projected pledged revenues for Fiscal Year 2028 have been held constant thereafter. No representation is made that the projected amounts in any fiscal year will be collected.

[2] Pursuant to Section 215.616(3), Florida Statutes, the annual debt service on bonds secured by federal highway reimbursements cannot exceed 10% of annual federal apportionments to the State of Florida Department of Transportation for federal highway projects. Projected federal apportionments of approximately $2.096 billion in Federal Fiscal Year 2020 are based on the funding provided by the Fixing America's Surface Transportation Act (the "FAST Act"); 10% of which is equal to approximately $209.6 million. The FAST Act expires after Federal Fiscal Year 2020, and the estimated federal apportionments for subsequent Federal fiscal years are held constant based on the Federal Fiscal Year 2020 amount. Due to timing differences between the State Fiscal Year (June to July) and Federal Fiscal Year (October to September), the reimbursements received in the State's Fiscal Year may differ from the Federal Fiscal Year apportionment.

BOND DEBT SERVICE

State of Florida
Department of Transportation
Federal Highway Reimbursement Revenue Bonds, Series 2019A

Estimated Debt Service

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2020	14,105,000	5.000%	11,225,000	25,330,000
07/01/2021	14,810,000	5.000%	10,519,750	25,329,750
07/01/2022	15,550,000	5.000%	9,779,250	25,329,250
07/01/2023	16,325,000	5.000%	9,001,750	25,326,750
07/01/2024	17,145,000	5.000%	8,185,500	25,330,500
07/01/2025	18,000,000	5.000%	7,328,250	25,328,250
07/01/2026	18,900,000	5.000%	6,428,250	25,328,250
07/01/2027	19,845,000	5.000%	5,483,250	25,328,250
07/01/2028	20,840,000	5.000%	4,491,000	25,331,000
07/01/2029	21,880,000	5.000%	3,449,000	25,329,000
07/01/2030	22,975,000	5.000%	2,355,000	25,330,000
07/01/2031	24,125,000	5.000%	1,206,250	25,331,250
	224,500,000		**79,452,250**	**303,952,250**

Enclosure 3

Florida Department of Transportation
Federal Aid Projections based on April 3, 2019 Tentative Work Program
(amounts shown in millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTAL
Reimbursement (1)(2)	$ 2,046.2	$ 2,399.4	$ 2,463.4	$ 2,308.0	$ 2,172.9	$ 2,107.1	$ 2,115.3	$ 2,178.6	$ 2,252.0	$ 2,298.9	**$ 22,341.8**
Highway Forecast (3)(4)	$ 2,044.1	$ 2,096.0	$ 2,096.0	$ 2,096.0	$ 2,096.0	$ 2,096.0	$ 2,096.0	$ 2,096.0	$ 2,096.0	$ 2,096.0	**$ 20,908.4**

(1) This represents only the estimated Federal Highway Administration (FHWA) portion of federal aid reimbursements to the Department.

(2) The federal aid reimbursement includes expenditures based on an assumed level of additional federal obligation authority annually of $75 million from the federal redistribution of unused obligation authority, and funding from earmarks that are not included in the Highway Forecast. In recent years, Florida has received over $150 million in additional federal redistribution. Reimbursements also include the amount from the Federal General Revenue obligation authority and funding received as part of the Highway Infrastructure Program of $95.2 million in FFY 2018 and $131.8 million in FFY 2019.

(3) The Highway Forecast is based on the Fixing America's Surface Transportation (FAST) Act which provides funding through FFY 2020. Funding levels for subsequent years are held constant based on The FAST Act apportionment level in FFY 2020. All years' apportionment is adjusted for sequestration.

(4) There are timing differences between the state and federal fiscal years (July - June vs. October - September) which may result in differences between the reimbursements and the highway forecast.

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO:	Ash Williams
FROM:	Robert Copeland
SUBJECT:	Fiscal Determination
DATE:	July 5, 2019

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $20,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (DAYTONA GARDENS APARTMENTS)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding $20,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the “Bonds") for the purpose of financing the acquisition and rehabilitation of a 230-unit affordable housing community located in Volusia County, Florida (Daytona Gardens Apartments). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $20,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (DAYTONA GARDENS APARTMENTS)

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding $20,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a 230-unit affordable housing community located in Volusia County, Florida (Daytona Gardens Apartments); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

WHEREAS, the Bonds shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Daytona Gardens Apartments), in an amount not exceeding $20,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED July 25, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held July 25, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding $20,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Daytona Gardens Apartments).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 25th day of July 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

we make housing affordable™
Florida Housing
Finance Corporation
227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

June 28, 2019

VIA EMAIL

Mr. Ash Williams
Executive Director/Chief Investment Officer
State Board of Administration
P.O. Box 13300
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds
Not to Exceed $20,000,000 Tax-Exempt Bonds
Daytona Gardens Apartments

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced bond issue prepared by the Placement Agent, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a Private Placement. We request that this item be placed on the agenda for approval at the State Board of Administration's July 23, 2019 Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,

Tim Kennedy

Tim Kennedy
Assistant Director of Multifamily Programs

TK/rg

Ron DeSantis, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith
Ken Lawson, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director

$20,000,000
Florida Housing Finance Corporation
Multifamily Mortgage Revenue Bonds

Daytona Gardens Apartments

Combined Debt Coverage Table

	Revenue	Bond Payments (3) (4)		Bond Fee Payments			Debt Service Coverage		
	Net Operating Income (1)	Principal (2)	Interest 4.95%	Compliance Monitoring	Issuer + PLS + Trustee Fees	**Total Debt Service**	Bond Debt Service DCR	Total DCR with Fees	**Bond/Bond Balance**
									$ 20,000,000
YR 1	$ 1,334,020	$ 163,001	$ 986,335	$ 3,156	$ 57,100	$ 1,209,591	1.16	1.10	19,836,999
YR 2	$ 1,350,387	171,255	978,081	3,251	56,671	$ 1,209,257	1.17	1.12	19,665,745
YR 3	$ 1,366,720	179,927	969,409	3,348	56,221	$ 1,208,905	1.19	1.13	19,485,818
YR 4	$ 1,383,008	189,038	960,297	3,449	55,748	$ 1,208,532	1.20	1.14	19,296,780
YR 5	$ 1,399,238	198,611	950,725	3,552	55,251	$ 1,208,138	1.22	1.16	19,098,169
YR 6	$ 1,415,398	208,668	940,667	3,659	54,728	$ 1,207,722	1.23	1.17	18,889,501
YR 7	$ 1,431,475	219,235	930,101	3,768	54,179	$ 1,207,283	1.25	1.19	18,670,267
YR 8	$ 1,447,454	230,336	918,999	3,881	53,603	$ 1,206,820	1.26	1.20	18,439,930
YR 9	$ 1,463,321	242,000	907,335	3,998	52,997	$ 1,206,330	1.27	1.21	18,197,930
YR 10	$ 1,479,062	254,255	895,081	4,118	52,361	$ 1,205,814	1.29	1.23	17,943,675
YR 11	$ 1,492,065	267,130	882,205	4,241	51,692	$ 1,205,269	1.30	1.24	17,676,545
YR 12	$ 1,504,831	280,657	868,678	4,369	50,989	$ 1,204,693	1.31	1.25	17,395,888
YR 13	$ 1,517,340	294,869	854,466	4,500	50,251	$ 1,204,086	1.32	1.26	17,101,019
YR 14	$ 1,529,571	309,801	839,535	4,635	49,476	$ 1,203,446	1.33	1.27	16,791,218
YR 15	$ 1,541,504	325,489	823,847	4,774	48,661	$ 1,202,770	1.34	1.28	16,465,729
YR 16	$ 1,553,115	341,971	807,364	4,917	47,805	$ 1,202,057	1.35	1.29	16,123,758
YR 17	$ 1,564,383	359,288	790,047	5,064	46,905	$ 1,201,305	1.36	1.30	15,764,470
YR 18	$ 1,575,281	377,482	771,854	5,216	45,961	$ 1,200,512	1.37	1.31	15,386,988
YR 19	$ 1,585,786	396,597	752,738	5,373	44,968	$ 1,199,676	1.38	1.32	14,990,391
YR 20	$ 1,595,871	416,680	732,655	5,534	43,925	$ 1,198,794	1.39	1.33	14,573,711
YR 21	$ 1,605,509	437,780	711,555	5,700	42,829	$ 1,197,864	1.40	1.34	14,135,930
YR 22	$ 1,614,672	459,949	689,387	5,871	41,677	$ 1,196,884	1.40	1.35	13,675,981
YR 23	$ 1,623,329	483,240	666,095	6,047	40,468	$ 1,195,851	1.41	1.36	13,192,741
YR 24	$ 1,631,450	507,711	641,625	6,229	39,197	$ 1,194,761	1.42	1.37	12,685,031
YR 25	$ 1,639,003	533,420	615,915	6,415	37,862	$ 1,193,613	1.43	1.37	12,151,610
YR 26	$ 1,645,955	560,432	588,903	6,608	36,459	$ 1,192,402	1.43	1.38	11,591,178
YR 27	$ 1,652,271	588,812	560,524	6,806	34,985	$ 1,191,126	1.44	1.39	11,002,366
YR 28	$ 1,657,915	618,628	530,707	7,010	33,436	$ 1,189,782	1.44	1.39	10,383,738
YR 29	$ 1,662,851	649,955	499,381	7,221	31,809	$ 1,188,365	1.45	1.40	9,733,783
YR 30	$ 1,667,038	682,868	466,468	7,437	30,100	$ 1,186,873	1.45	1.40	9,050,916
YR 31	$ 1,670,437	717,447	431,888	7,660	28,304	$ 1,185,300	1.45	1.41	8,333,469
YR 32	$ 1,673,006	753,778	395,558	7,890	26,417	$ 1,183,643	1.46	1.41	7,579,691
YR 33	$ 1,674,700	791,948	357,388	8,127	24,435	$ 1,181,897	1.46	1.42	6,787,743
YR 34	$ 1,675,476	832,051	317,284	8,371	22,352	$ 1,180,058	1.46	1.42	5,955,692
YR 35	$ 1,675,286	874,185	275,151	8,622	20,163	$ 1,178,121	1.46	1.42	5,081,507
YR 36	$ 1,674,081	918,452	230,883	8,881	17,864	$ 1,176,080	1.46	1.42	4,163,055
YR 37	$ 1,671,810	964,962	184,374	9,147	15,458	$ 1,173,940	1.45	1.42	3,198,094
YR 38	$ 1,668,422	1,013,826	135,510	9,421	15,236	$ 1,173,992	1.45	1.42	2,184,268
YR 39	$ 1,663,861	1,065,165	84,171	9,704	15,002	$ 1,174,042	1.45	1.42	1,119,103
YR 40	$ 1,658,071	1,119,103	30,232	9,995	14,757	$ 1,174,088	1.44	1.41	(0)
Total	-								

(1) NOI based on 'Projected Operating Revenue' Schedule.

(2) Based on estimated Bond sinking fund schedule.

(3) The Bond Interest Rate is based on an estimate of 335 bps over the 15 year LIBOR Swap Rate.

(4) The Bondholder has the option to require a mandatory redemption of the Bonds beginning the 16th year following stabilization. The Bonds have a 40 year fully amortizing term. Upon redemption, the Borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the Development. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Bond holder will present the Bonds to the Trustee for cancellation and in exchange will receive an assignment of the mortgage and related collateral.

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Determination
DATE: July 5, 2019

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $11,050,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, 2019 (SERIES TO BE DESIGNATED) (OSPREY POINTE)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding $11,050,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (the “Notes") for the purpose of financing the new construction a 110-unit affordable housing community located in Pasco County, Florida (Osprey Pointe). The Notes shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Notes and all other bonds or notes secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this note issue.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $11,050,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE NOTES, 2019 (SERIES TO BE DESIGNATED) (OSPREY POINTE)

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding $11,050,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (the “Notes") for the purpose of financing the new construction of a 110-unit affordable housing community located in Pasco County, Florida (Osprey Pointe); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida (the “Board”) to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the “Florida Constitution”); and,

WHEREAS, the Notes shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Notes shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Notes proposed to be issued and all other bonds or notes secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board’s determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Notes as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (Osprey Pointe), in an amount not exceeding $11,050,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Notes and all other bonds or notes secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED July 25, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held July 25, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding $11,050,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Notes, 2019 (Series to be designated) (Osprey Pointe).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 25th day of July 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

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Florida Housing
Finance Corporation

227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

June 28, 2019

VIA EMAIL

Mr. Ash Williams
Executive Director/Chief Investment Officer
State Board of Administration
P.O. Box 13300
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Notes
Not to Exceed $11,050,000 Tax-Exempt Notes
Osprey Pointe

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced note issue prepared by the Placement Agent, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This note issue will be a Private Placement. We request that this item be placed on the agenda for approval at the State Board of Administration's July 23, 2019 Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,

Tim Kennedy

Tim Kennedy
Assistant Director of Multifamily Programs

TK/rg

Ron DeSantis, Governor

Board of Directors: Ray Dubuque, Chairman • Ron Lieberman, Vice Chairman
Natacha Bastian • Renier Diaz de la Portilla • LaTasha Green-Cobb • Creston Leifried • Bernard "Barney" Smith
Ken Lawson, Florida Department of Economic Opportunity

Harold "Trey" Price, Executive Director

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Notes
Osprey Pointe

Combined Debt Coverage Table

	Revenue	Note Payments (3) (4)		SAIL/ELI Loans (5)	Note Fee Payments		Total Debt Service	Debt Service Coverage		
	Net Operating Income (1)	Principal (2)	Interest	Interest + Fees	Compliance Monitoring	Issuer + PLS + Fiscal Agent Fees		Note Debt Service DCR	Total DCR with Fees	Note Balance
										$ 5,925,000
YR 1	$ 451,186	$ 66,442	$ 284,719	$ 74,776	$ 3,156	$ 21,312	$ 450,405	1.28	1.00	$ 5,858,558
YR 2	456,066	$ 69,723	$ 281,438	$ 74,832	$ 3,251	$ 21,153	$ 450,397	1.30	1.01	$ 5,788,835
YR 3	460,900	$ 73,166	$ 277,995	$ 74,890	$ 3,348	$ 20,985	$ 450,385	1.31	1.02	$ 5,715,669
YR 4	465,682	$ 76,779	$ 274,382	$ 74,950	$ 3,449	$ 20,810	$ 450,370	1.33	1.03	$ 5,638,889
YR 5	470,406	$ 80,571	$ 270,590	$ 75,011	$ 3,552	$ 20,625	$ 450,350	1.34	1.04	$ 5,558,318
YR 6	475,068	$ 84,550	$ 266,611	$ 75,075	$ 3,659	$ 20,432	$ 450,327	1.35	1.05	$ 5,473,768
YR 7	479,661	$ 88,725	$ 262,436	$ 75,140	$ 3,768	$ 20,229	$ 450,299	1.37	1.07	$ 5,385,043
YR 8	484,179	$ 93,107	$ 258,054	$ 75,207	$ 3,881	$ 20,016	$ 450,266	1.38	1.08	$ 5,291,936
YR 9	488,615	$ 97,705	$ 253,456	$ 75,276	$ 3,998	$ 19,793	$ 450,228	1.39	1.09	$ 5,194,231
YR 10	492,962	$ 102,530	$ 248,631	$ 75,348	$ 4,118	$ 19,558	$ 450,185	1.40	1.10	$ 5,091,701
YR 11	496,224	$ 107,593	$ 243,568	$ 75,421	$ 4,241	$ 19,312	$ 450,136	1.41	1.10	$ 4,984,107
YR 12	499,353	$ 112,907	$ 238,255	$ 75,497	$ 4,369	$ 19,054	$ 450,081	1.42	1.11	$ 4,871,201
YR 13	502,341	$ 118,482	$ 232,679	$ 75,575	$ 4,500	$ 18,783	$ 450,019	1.43	1.12	$ 4,752,718
YR 14	505,179	$ 124,334	$ 226,828	$ 75,655	$ 4,635	$ 18,499	$ 449,950	1.44	1.12	$ 4,628,385
YR 15	5,136,242	$ 4,628,385	$ 220,688	$ 75,738	$ 4,774	$ 18,200	$ 4,947,784	1.06	1.04	$ -
	-	$ 5,925,000								

(1) NOI based on 'Projected Operating Revenue' Schedule.

(2) Based on estimated Note sinking fund schedule.

(3) The Note Interest Rate is based on current market conditions for a negotiated private placement. The estimated interest rate of 4.83% includes a 25 bp cushion.

(4) The Notes have a 15 year term with amortizing debt service based on a 35 year schedule. Upon the maturity date in 15 years, the Borrower will satisfy the remaining balance via refinancing, or proceeds from the sale of the Development. In the event a refinance or sale of the asset is not feasible, the debt obligation will be satisfied via a "Mortgage Assignment" without causing an event of default. In such case, the Noteholder will present the Notes to the Fiscal Agent for cancellation and in exchange will receive an assignment of the mortgage and related collateral. In the final year, the Net Operating Income includes an amount to fully repay the Notes.

(5) The Subordinate Mortgage debt service repayments are all contingent upon available cash flow after all other fees, expenses and senior mortgage debt service payments.

Florida Hurricane
Catastrophe Fund

Memo

TO: Ashbel C. Williams, Executive Director & CIO, SBA

FROM: Anne Bert, Chief Operating Officer, FHCF

DATE: July 10, 2019

SUBJECT: Trustees Meeting, July 25, 2019

Item A: Rule 19-8.010, F.A.C., Reimbursement Contract
Item B: 2019 FHCF Ratemaking Formula Report, Revised July 25, 2019
Item C: Rule 19-8.028, F.A.C., Reimbursement Premium Formula
Item D: Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities

---

BACKGROUND: On November 30, 2018, the State Board of Administration Trustees approved Rule 19-8.010, Reimbursement Contract, and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities, along with each rule's incorporated forms for the Florida Hurricane Catastrophe Fund 2019-2020 Contract Year. As required by law, insurers executed their 2019-2020 Reimbursement Contract on or before March 1, 2019, and the Contract went into effect on June 1, 2019.

On April 2, 2019, the State Board of Administration Trustees approved the Florida Hurricane Catastrophe Fund 2019-2020 Ratemaking Formula Report and Rule 19-8.028, Reimbursement Premium Formula, with an effective date of June 1, 2019.

During the 2019 session, the Legislature enacted Section 1 of Chapter 2019-108, Laws of Florida (HB301) which amends 215.555(4)(b)1., Florida Statutes, to increase the loss adjustment expense allowance (LAE) provided by the FHCF to participating insurers from the previous 5% of reimbursed losses to 10% of reimbursed losses beginning with the 2019-2020 Contract Year. On June 18, 2019, the act was signed by the Governor.

This change increases the coverage the FHCF is providing and the losses it would pay out to its participating insurers. Therefore, revisions to these rules are needed in order to implement this new law. The rules and all forms show the proposed amendments with new language <u>underscored</u> and deleted language ~~stricken through~~.

A notice of the meeting of the Board will be published in the *Florida Administrative Register* on July 11, 2019, Vol. 45, No. 134.

SBA AGENDA ITEM A. RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT

BACKGROUND AND SUMMARY OF RULE: Proposed Rule 19-8.010 implements the additional 5% in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM A:

- Summary of Changes, Rule 19-8.010, F.A.C.
- Notice of Proposed Rule, Rule 19-8.010, F.A.C.
- **Rule 19-8.010, F.A.C**., Reimbursement Contract

SBA AGENDA ITEM B. 2019 RATEMAKING FORMULA REPORT, REVISED JULY 25, 2019

BACKGROUND: The Florida Hurricane Catastrophe Fund (FHCF) provides reimbursement to insurers writing residential property insurance in Florida for a portion of their hurricane losses. The FHCF is statutorily required to charge an "actuarially indicated premium" for the coverage provided to the participants pursuant to a premium formula that is developed by an independent consultant and meets specified criteria. The FHCF statute requires that the premium formula be approved by unanimous vote of the Trustees.

In accordance with these statutory requirements, the FHCF has contracted with Paragon Strategic Solutions Inc. to provide the actuarial services necessary to develop the Premium Formula.

The State Board of Administration Trustees previously approved the 2019-2020 Ratemaking Formula Report on April 2, 2019. The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 implements the additional 5% LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature. This change has a uniform 2.18% increase on rates and premiums paid to the FHCF by participating insurers. This could potentially translate to an average premium increase of $4.55 or 0.22% for a typical personal residential homeowners' policy; however, this impact will vary by policyholder.

The Report is also updated to incorporate the actual risk transfer costs to be incurred by the FHCF for the 2019-2020 Contract Year. The previously adopted Report, which was approved before risk transfer costs were known, included in Exhibit XVII, Risk Transfer Options Formula, a formula for calculating the changes to FHCF premiums and rates to reflect the net costs of risk transfer. The revised Report reflects the actual net cost, which resulted in a minimal decrease from the rate under the previously approved Report.

A detailed summary of changes and an explanation of the factors impacting premium and rate changes to the 2019 Ratemaking Formula is available on page 2 of Exhibit 1, Executive Summary.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the revised Ratemaking Formula Report. The revised Report was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTIONS REQUESTED: Request unanimous approval of the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019.

ATTACHMENT TO BE INCLUDED WITH SBA AGENDA ITEM B:

- The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019

SBA AGENDA ITEM C. RULE 19-8.028, F.A.C., REIMBURSEMENT PREMIUM FORMULA

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 to implement the increase in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature and replaces the previously adopted 2019 Ratemaking Formula Report.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and incorporated form. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and for adoption with the Department of State if no member of the public timely requests a rule hearing or if a hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM C:

- Summary of Changes, Rule 19-8.028, F.A.C.
- Notice of Proposed Rule, Rule 19-8.028, F.A.C.
- **Rule 19-8.028, F.A.C**., Reimbursement Premium Formula

SBA AGENDA ITEM D. RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS AND RESPONSIBILITIES

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Form FHCF-L1B, rev. XX/19, Contract Year 2019 Proof of Loss Report which is revised to reflect the 10% loss adjustment expense allowance as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and the incorporated form. The rule and form were presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM D:

- Summary of Changes, Rule 19-8.029, F.A.C.
- Notice of Proposed Rule, Rule 19-8.029, F.A.C.
- **Rule 19-8.029, F.A.C.**, Insurer Reporting Requirements and Responsibilities
- 2019 Incorporated Form: **FHCF-L1B,** Contract Year 2019 Proof of Loss Report

Notice of Meeting/Workshop Hearing

STATE BOARD OF ADMINISTRATION
RULE NO.: RULE TITLE:

19-8.010: Reimbursement Contract

19-8.028: Reimbursement Premium Formula

19-8.029: Insurer Reporting Requirements and Responsibilities

The Florida Hurricane Catastrophe Fund announces a public meeting to which all persons are invited.

DATE AND TIME: July 25, 2019, 9:00 a.m. (ET) to conclusion of the meeting.

PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Trustees of the State Board of Administration to authorize the Florida Hurricane Catastrophe Fund (the Fund) to file Notices of Proposed Rule for Rule 19-8.010, F.A.C., Reimbursement Contract, Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, and to file these rules for adoption if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is needed. Other general business of the Trustees may also be addressed. The rules and incorporated forms are available on the Fund's website: www.sbafla.com/fhcf.

A copy of the agenda may be obtained by contacting: Not available.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Leonard Schulte, Florida Hurricane Catastrophe Fund, (850) 413-1335, leonard.schulte@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

Rule 19-8.010, F.A.C.
2019-2020 Contract Year
Summary of Changes as of June 28, 2019

General Description

In order to implement changes enacted by the Legislature in 2019 in Section 1 of Chapter 2019-108, Laws of Florida (HB 301), the State Board of Administration of Florida on behalf of the Florida Hurricane Catastrophe Fund (FHCF) proposes amendment to Rule 19-8.010, F.A.C., Reimbursement Contract, Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities. These rules were previously revised to establish requirements applicable to the 2019-2020 FHCF Contract Year, which began on June 1, 2019; however, the above-cited legislative provision did not become law until June 18, 2019, when the act was signed by the Governor.

Section 1 of Chapter 2019-108 amends s. 215.555(4)(b)1., Florida Statutes, to increase the loss adjustment expense allowance provided by the FHCF to participating insurers from the previous 5% of reimbursed losses to 10% of reimbursed losses beginning with the 2019-2020 Contract Year.

Rule 19-8.010, F.A.C., Reimbursement Contract

New: Subsection (4) is added as follows:

Paragraph (4)(a) describes the above-cited legislation and cites the new statutory language that "For contracts and rates effective on or after June 1, 2019, the loss adjustment expense reimbursement must be 10 percent of the reimbursed losses."

Paragraph (4)(b) states that the purpose of the rule is to implement the amendment to s. 215.555(4)(b)1., Florida Statutes, only for the 2019-2020 Contract Year, without regard to when the Reimbursement Contract for that year was executed or took effect.

Paragraph (4)(c) provides that with respect to reimbursements under the 2019-2020 Reimbursement Contract, the 5% loss adjustment expense provided under subsection (1) of Article IV of the contract shall be supplemented by an additional loss adjustment expense allowance equal to 5% of reimbursed losses, provided that the total of the reimbursed losses, contractual loss adjustment expense allowance, and supplemental loss adjustment expense allowance may not exceed the insurer's coverage limit.

Renumbered: Subsection (4) is renumbered as subsection (5).

Notice of Proposed Rule

STATE BOARD OF ADMINISTRATION
RULE NO.: RULE TITLE:
19-8.010: Reimbursement Contract
PURPOSE AND EFFECT: The State Board of Administration, Florida Hurricane Catastrophe Fund, seeks to amend Rule 19-8.010, F.A.C., Reimbursement Contract, to implement changes to Section 215.555, Florida Statutes, as enacted by the Legislature in 2019.
SUMMARY: The proposed revision to this rule reflects an increase in loss adjustment expense allowance from 5% to 10% of reimbursed losses, beginning with the 2019-2020 Reimbursement Contract.
SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:
The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of $200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.
The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: A Reimbursement Contract meeting the requirements set forth in Section 215.555, F.S., must be adopted annually pursuant to Section 215.555(4) and (16)(b), F.S. Upon review of the proposed changes to the upcoming Contract Year's Reimbursement Contract, which is incorporated into Rule 19-8.010, F.A.C., Reimbursement Contract, the State Board of Administration of Florida has determined that the preparation of a Statement of Estimated Regulatory Costs is not necessary and that this rule does not meet the statutory threshold for ratification by the Legislature. The changes to this rule also do not directly or indirectly have an adverse impact on economic growth, private sector job creation or employment, or private sector investment, business competitiveness, or innovation or increase regulatory costs, including any transactional costs, in excess of $1 million in the aggregate within 5 years after the implementation of the rule.
Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.
RULEMAKING AUTHORITY: 215.555(3), F.S.
LAW IMPLEMENTED: 215.555(2), (3), (4), (5), (6), (7), (10), (16), F.S.
IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW:
DATE AND TIME: August 20, 2019, 9:00 a.m. to 10:00 a.m. (ET)
PLACE: Room 116 (Hermitage Conference Room), 1801 Hermitage Blvd., Tallahassee, Florida 32308.
Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Leonard Schulte, Florida Hurricane Catastrophe Fund, 1801 Hermitage Blvd., Tallahassee, FL 32308, 850-413-1335, leonard.schulte@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).
THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Leonard Schulte at the number or email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

19-8.010 Reimbursement Contract.

(1) The reimbursement contract for the 2019-2020 contract year, http://www.flrules.org/Gateway/reference.asp?No=ref-10198, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2019K-"Reimbursement Contract" or "Contract" between (name of insurer) (the "Company")/NAIC #( ) and The State Board of Administration of the State of Florida ("SBA") which administers the Florida Hurricane Catastrophe Fund ("FHCF"), rev. 01/19 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2019 through May 31, 2020.

(2) In recognition of the fact that few, if any, companies sustained losses from Hurricanes Hermine and Matthew in 2016 in amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2016-2017 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2016-2017 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2016-2017 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

(3) In recognition of the fact that many companies did not sustain losses from Hurricane Irma in 2017 in amounts sufficient to exceed their FHCF retention, and few, if any, companies sustained losses from Hurricane Nate in 2017 in amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2017-2018 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2017-2018 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2017-2018 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars for either or both hurricanes prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

(4) (a) Subparagraph 215.555(4)(b)1., Florida Statutes, specifies the amount of reimbursement to be paid to an insurer under the Reimbursement Contract and requires the payment of an additional 5% of the reimbursed losses to cover loss adjustment expenses. CS/CS/CS/HB 301 as enacted during the 2019 Regular Session of the Florida Legislature amended subparagraph (4)(b)1. to add a provision stating that "For contracts and rates effective on or after June 1, 2019, the loss adjustment expense reimbursement must be 10 percent of the reimbursed losses."

(b) The purpose of this subsection of this Rule is to implement the amendment to subparagraph (4)(b)1. only for the 2019-2020 Reimbursement Contract and without consideration of the dates on which the Reimbursement Contract was executed or took effect.

(c) With respect to any reimbursements under the Reimbursement Contract for the 2019-2020 Contract Year, the 5% Loss Adjustment Expense Allowance provided under Subsection (1) of Article IV shall be supplemented by an additional Loss Adjustment Expense Allowance equal to 5% of the reimbursed losses, provided that the total of a company's reimbursed losses, Loss Adjustment Expense Allowance, and Supplemental Loss Adjustment Expense Allowance does not exceed the company's Coverage Limit under the Reimbursement Contract.

(5)~~(4)~~ The reimbursement contract form may be obtained by accessing the FHCF website at www.sbafla.com/fhcf; by submitting a written request to the State Board of Administration at P. O. Box 13300, Tallahassee, Florida 32317-3300; or by calling (850) 413-1335.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555 FS. History–New 5-31-94, Amended 8-29-95, 5-19-96, 6-19-97, 5-28-98, 5-17-99, 9-13-99, 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 11-13-05, 5-10-06, 9-5-06, 5-8-07, 8-13-07, 6-8-08, 9-2-08, 3-30-09, 8-23-09, 3-29-10, 8-8-10, 12-12-10, 9-11-11, 12-19-11, 11-18-12, 12-2-13, 11-12-14, 6-2-15, 1-3-16, 11-9-16, 12-6-17, 1-29-19, Amended X-XX-19.

NAME OF PERSON ORIGINATING PROPOSED RULE: Anne Bert, FHCF Chief Operating Officer, State Board of Administration of Florida.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: The Trustees of the State Board of Administration of Florida.
DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 25, 2019
DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: May 16, 2019

19-8.010 Reimbursement Contract.

(1) The reimbursement contract for the 2019-2020 contract year, http://www.flrules.org/Gateway/reference.asp?No=ref-10198, including all Amendments and Addenda, required by Section 215.555(4), F.S., which is called Form FHCF-2019K-"Reimbursement Contract" or "Contract" between (name of insurer) (the "Company")/NAIC #( ) and The State Board of Administration of the State of Florida ("SBA") which administers the Florida Hurricane Catastrophe Fund ("FHCF"), rev. 01/19 is hereby adopted and incorporated by reference into this rule. This contract is effective from June 1, 2019 through May 31, 2020.

(2) In recognition of the fact that few, if any, companies sustained losses from Hurricanes Hermine and Matthew in 2016 in amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2016-2017 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2016-2017 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2016-2017 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

(3) In recognition of the fact that many companies did not sustain losses from Hurricane Irma in 2017 in amounts sufficient to exceed their FHCF retention, and few, if any, companies sustained losses from Hurricane Nate in 2017 in amounts sufficient to exceed their FHCF retention, and that, notwithstanding the limitations of Art. X(3)(d) of the 2017-2018 Reimbursement Contract, companies may wish to complete a commutation for zero dollars earlier than 36 months after the end of the 2017-2018 contract year, which is the earliest date for commutation allowed under that provision of the Reimbursement Contract. Therefore, with respect to the 2017-2018 Reimbursement Contract, a company and the SBA may mutually agree to initiate and complete a commutation for zero dollars for either or both hurricanes prior to the end of the 36-month period referred to in Art. X(3)(d). Such early commutation, once completed, eliminates the mandatory Proof of Loss requirements under Art. X(3)(b)3. and 4. for all reporting periods subsequent to the completion of the commutation.

(4) (a) Subparagraph 215.555(4)(b)1., Florida Statutes, specifies the amount of reimbursement to be paid to an insurer under the Reimbursement Contract and requires the payment of an additional 5% of the reimbursed losses to cover loss adjustment expenses. CS/CS/CS/HB 301 as enacted during the 2019 Regular Session of the Florida Legislature amended subparagraph (4)(b)1. to add a provision stating that "For contracts and rates effective on or after June 1, 2019, the loss adjustment expense reimbursement must be 10 percent of the reimbursed losses."

(b) The purpose of this subsection of this Rule is to implement the amendment to subparagraph (4)(b)1. only for the 2019-2020 Reimbursement Contract and without consideration of the dates on which the Reimbursement Contract was executed or took effect.

(c) With respect to any reimbursements under the Reimbursement Contract for the 2019-2020 Contract Year, the 5% Loss Adjustment Expense Allowance provided under Subsection (1) of Article IV shall be supplemented by an additional Loss Adjustment Expense Allowance equal to 5% of the reimbursed losses, provided that the total of a company's reimbursed losses, Loss Adjustment Expense Allowance, and Supplemental Loss Adjustment Expense Allowance does not exceed the company's Coverage Limit under the Reimbursement Contract.

(5)~~(4)~~ The reimbursement contract form may be obtained by accessing the FHCF website at www.sbafla.com/fhcf; by submitting a written request to the State Board of Administration at P. O. Box 13300, Tallahassee, Florida 32317-3300; or by calling (850) 413-1335.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555 FS. History–New 5-31-94, Amended 8-29-95, 5-19-96, 6-19-97, 5-28-98, 5-17-99, 9-13-99, 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 11-13-05, 5-10-06, 9-5-06, 5-8-07, 8-13-07, 6-8-08, 9-2-08, 3-30-09, 8-23-09, 3-29-10, 8-8-10, 12-12-10, 9-11-11, 12-19-11, 11-18-12, 12-2-13, 11-12-14, 6-2-15, 1-3-16, 11-9-16, 12-6-17, 1-29-19, Amended X-XX-19.

Florida Hurricane Catastrophe Fund

Memo

TO: Ashbel C. Williams, Executive Director & CIO, SBA

FROM: Anne Bert, Chief Operating Officer, FHCF

DATE: July 10, 2019

SUBJECT: Trustees Meeting, July 25, 2019

Item A: Rule 19-8.010, F.A.C., Reimbursement Contract
Item B: 2019 FHCF Ratemaking Formula Report, Revised July 25, 2019
Item C: Rule 19-8.028, F.A.C., Reimbursement Premium Formula
Item D: Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities

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BACKGROUND: On November 30, 2018, the State Board of Administration Trustees approved Rule 19-8.010, Reimbursement Contract, and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities, along with each rule's incorporated forms for the Florida Hurricane Catastrophe Fund 2019-2020 Contract Year. As required by law, insurers executed their 2019-2020 Reimbursement Contract on or before March 1, 2019, and the Contract went into effect on June 1, 2019.

On April 2, 2019, the State Board of Administration Trustees approved the Florida Hurricane Catastrophe Fund 2019-2020 Ratemaking Formula Report and Rule 19-8.028, Reimbursement Premium Formula, with an effective date of June 1, 2019.

During the 2019 session, the Legislature enacted Section 1 of Chapter 2019-108, Laws of Florida (HB301) which amends 215.555(4)(b)1., Florida Statutes, to increase the loss adjustment expense allowance (LAE) provided by the FHCF to participating insurers from the previous 5% of reimbursed losses to 10% of reimbursed losses beginning with the 2019-2020 Contract Year. On June 18, 2019, the act was signed by the Governor.

This change increases the coverage the FHCF is providing and the losses it would pay out to its participating insurers. Therefore, revisions to these rules are needed in order to implement this new law. The rules and all forms show the proposed amendments with new language <u>underscored</u> and deleted language ~~stricken through~~.

A notice of the meeting of the Board will be published in the *Florida Administrative Register* on July 11, 2019, Vol. 45, No. 134.

SBA AGENDA ITEM A. RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT

BACKGROUND AND SUMMARY OF RULE: Proposed Rule 19-8.010 implements the additional 5% in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM A:

- Summary of Changes, Rule 19-8.010, F.A.C.
- Notice of Proposed Rule, Rule 19-8.010, F.A.C.
- **Rule 19-8.010, F.A.C**., Reimbursement Contract

SBA AGENDA ITEM B. 2019 RATEMAKING FORMULA REPORT, REVISED JULY 25, 2019

BACKGROUND: The Florida Hurricane Catastrophe Fund (FHCF) provides reimbursement to insurers writing residential property insurance in Florida for a portion of their hurricane losses. The FHCF is statutorily required to charge an "actuarially indicated premium" for the coverage provided to the participants pursuant to a premium formula that is developed by an independent consultant and meets specified criteria. The FHCF statute requires that the premium formula be approved by unanimous vote of the Trustees.

In accordance with these statutory requirements, the FHCF has contracted with Paragon Strategic Solutions Inc. to provide the actuarial services necessary to develop the Premium Formula.

The State Board of Administration Trustees previously approved the 2019-2020 Ratemaking Formula Report on April 2, 2019. The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 implements the additional 5% LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature. This change has a uniform 2.18% increase on rates and premiums paid to the FHCF by participating insurers. This could potentially translate to an average premium increase of $4.55 or 0.22% for a typical personal residential homeowners' policy; however, this impact will vary by policyholder.

The Report is also updated to incorporate the actual risk transfer costs to be incurred by the FHCF for the 2019-2020 Contract Year. The previously adopted Report, which was approved before risk transfer costs were known, included in Exhibit XVII, Risk Transfer Options Formula, a formula for calculating the changes to FHCF premiums and rates to reflect the net costs of risk transfer. The revised Report reflects the actual net cost, which resulted in a minimal decrease from the rate under the previously approved Report.

A detailed summary of changes and an explanation of the factors impacting premium and rate changes to the 2019 Ratemaking Formula is available on page 2 of Exhibit 1, Executive Summary.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the revised Ratemaking Formula Report. The revised Report was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTIONS REQUESTED: Request unanimous approval of the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019.

ATTACHMENT TO BE INCLUDED WITH SBA AGENDA ITEM B:

- The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019

SBA AGENDA ITEM C. RULE 19-8.028, F.A.C., REIMBURSEMENT PREMIUM FORMULA

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 to implement the increase in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature and replaces the previously adopted 2019 Ratemaking Formula Report.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and incorporated form. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and for adoption with the Department of State if no member of the public timely requests a rule hearing or if a hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM C:

- Summary of Changes, Rule 19-8.028, F.A.C.
- Notice of Proposed Rule, Rule 19-8.028, F.A.C.
- **Rule 19-8.028, F.A.C**., Reimbursement Premium Formula

SBA AGENDA ITEM D. RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS AND RESPONSIBILITIES

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Form FHCF-L1B, rev. XX/19, Contract Year 2019 Proof of Loss Report which is revised to reflect the 10% loss adjustment expense allowance as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and the incorporated form. The rule and form were presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM D:

- Summary of Changes, Rule 19-8.029, F.A.C.
- Notice of Proposed Rule, Rule 19-8.029, F.A.C.
- **Rule 19-8.029, F.A.C.**, Insurer Reporting Requirements and Responsibilities
- 2019 Incorporated Form: **FHCF-L1B,** Contract Year 2019 Proof of Loss Report

Notice of Meeting/Workshop Hearing

STATE BOARD OF ADMINISTRATION
RULE NO.: RULE TITLE:
19-8.010: Reimbursement Contract
19-8.028: Reimbursement Premium Formula
19-8.029: Insurer Reporting Requirements and Responsibilities
The Florida Hurricane Catastrophe Fund announces a public meeting to which all persons are invited.
DATE AND TIME: July 25, 2019, 9:00 a.m. (ET) to conclusion of the meeting.
PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.
GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Trustees of the State Board of Administration to authorize the Florida Hurricane Catastrophe Fund (the Fund) to file Notices of Proposed Rule for Rule 19-8.010, F.A.C., Reimbursement Contract, Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, and to file these rules for adoption if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is needed. Other general business of the Trustees may also be addressed. The rules and incorporated forms are available on the Fund's website: www.sbafla.com/fhcf.
A copy of the agenda may be obtained by contacting: Not available.
Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Leonard Schulte, Florida Hurricane Catastrophe Fund, (850) 413-1335, leonard.schulte@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Revised on July 25, 2019

Hurricane Michael
Source: NASA

Paragon Strategic Solutions Inc.

PARAGON
an Aon company

July 10, 2019

Enclosed is the revised Florida Hurricane Catastrophe Fund (FHCF) 2019 Ratemaking Formula Report. The original 2019 Ratemaking Report was presented to the FHCF Advisory Council on March 19, 2019 and approved by the Trustees of the State Board of Administration on April 2, 2019. The rates developed in the original report assumed an FHCF per event insurance industry aggregate retention of $7.422 billion (which applies to a participating insurer's two largest events and drops to 1/3 for all other events), an FHCF limit level of $17.000 billion, and the same risk transfer structure and cost from 2018.

On June 18, 2019, CS/CS/CS/HB301 (HB301) was signed into law, increasing the FHCF's Loss Adjustment Expense allowance from 5% to 10% of reimbursed losses effective for the 2019 Contract Year. Accordingly, this Ratemaking Formula Report reflects adjustments for the impact of changes due to HB301, as well as the cost for the actual risk transfer structure that has since been finalized. The industry aggregate retention and limit have not changed.

Distribution and Use

The attached report was prepared for the use of the State Board of Administration of Florida for the sole purpose of developing a formula for determining the actuarially indicated premium to be paid by individual companies for the FHCF for the 2019 contract year as specified by Section 215.555, Florida Statutes. The data, assumptions, methodology and results in this report may not be appropriate for other than the intended use. We recommend that any party using this report have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

Discussion of report limitations, including scope, data sources and variability of projections, can be found in Exhibit 1, Part III of the report.

A copy of the report will be available on the web site of the FHCF.

Sincerely,

Andrew J. Rapoport

Andrew J. Rapoport, FCAS, MAAA
Managing Director and Actuary
Paragon Strategic Solutions Inc.

March 14, 2019

Enclosed is the Florida Hurricane Catastrophe Fund (FHCF) 2019 Ratemaking Formula Report which will be presented to the FHCF Advisory Council on March 19, 2019. The rates developed in this report assume an FHCF per event insurance industry aggregate retention of $7.422 billion (which applies to a participating insurer's two largest events and drops to 1/3 for all other events) and an FHCF limit level of $17.000 billion.

Also included in this report are windstorm mitigation construction rating factor relativities, as well as formulas to adjust the presented rates for any additional pre-event financing or changes to the reinsurance structure should they become applicable subsequent to the presentation of this report.

Distribution and Use

The attached report was prepared for the use of the State Board of Administration of Florida for the sole purpose of developing a formula for determining the actuarially indicated premium to be paid by individual companies for the FHCF for the 2019 contract year as specified by Section 215.555, Florida Statutes. The data, assumptions, methodology and results in this report may not be appropriate for other than the intended use. We recommend that any party using this report have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

Discussion of report limitations, including scope, data sources and variability of projections, can be found in Exhibit 1, Part III of the report.

A copy of the report will be available on the web site of the FHCF.

Sincerely,

Andrew J. Rapoport

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Florida Hurricane Catastrophe Fund

2019 Ratemaking Formula Report
Revised on July 25, 2019

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EXHIBIT

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Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Revised on July 25, 2019

Executive Summary

1. On April 2, 2019 the Trustees of the State Board of Administration of Florida approved the Florida Hurricane Catastrophe Fund (FHCF) Ratemaking Formula Report for the 2019-2020 Contract Year, as presented to the FHCF Advisory Council on March 19, 2019. On June 18, 2019, CS/CS/CS/HB301 (HB301) was signed into law, increasing the FHCF's Loss Adjustment Expense allowance from 5% to 10% of reimbursed losses on contracts effective June 1, 2019 and after. In anticipation of the law change, the FHCF held an Advisory Council meeting on May 30, 2019 to present a revised Ratemaking Formula Report. **This Ratemaking Formula Report revised on July 25, 2019 reflects adjustments for the impact of changes due to HB301 and for the actual risk transfer structure.**
2. **Rates:** The Florida Hurricane Catastrophe Fund (FHCF) overall average rate change for the 2019-2020 (2019) Contract Year, after adjusting for company coverage selection changes, HB301 loss adjustment expense allowance change, and finalization of risk transfer placement, is projected to be a 4.88% increase. Paragon recommends an average 5.58% decrease in FHCF rates, based on coverage under Section 215.555, Florida Statutes.
3. **Coverage, Layer, and Retention Changes:**
   a. The average coverage for 2019, based on 2018 market shares and 2019 coverage selections, is projected to be 81.629%, compared to 73.483% for 2018 (an 11% increase).

   b. The increase in the average FHCF coverage selection generates the 2019 FHCF layer of $20.826 billion, compared to the 2018 layer of $23.135 billion.

   c. The projected loss retention for 2019 is $7.422 billion compared to $7.178 billion for 2018.
4. **Premium Change**: FHCF premium will increase by $97 million (driven primarily by company coverage selection changes and the increase in the Loss Adjustment Expense allowance) from $1.103 billion to $1.200 billion based on the overall average rate change.

FHCF Coverage	2019 Contract Year Modeled Per HB301 and Finalized Risk Transfer	2019 Contract Year Modeled - Trustees Approved 4/2/2019	2018 Contract Year Actual	2018 Contract Year Modeled Updated 6/13/2018
Industry Retention	$7.422 billion	$7.422 billion	$7.178 billion	$7.255 billion
Limit	$17 billion	$17 billion	$17 billion	$17 billion
Average Coverage	81.629%	81.629%	73.483%	73.121%
FHCF Layer	$20.826 billion	$20.826 billion	$23.135 billion	$23.349 billion
FHCF Premium	$1.200 billion	$1.176 billion	$1.103 billion	$1.109 billion
Rate Change	-5.58%	-7.43%	-5.20%	-2.56%
Coverage Selection Change	11.08%	11.08%	-1.40%	-1.88%
Exposure Change	3.72%	3.72%	4.45%	2.83%
Premium Change	8.79%	6.66%	-2.36%	-1.70%
Overall Average Rate Change	4.88%	2.83%	-6.52%	-4.40%
Projected Payout Multiple	14.1687	14.4518	15.4136	15.3247
90% Retention Multiple	5.6105	5.7226	5.3135	5.3135
Exposure Base	$2.360 trillion	$2.360 trillion	$2.275 trillion	$2.238 trillion
Overall FHCF Rate/$1,000 Exp.	0.5084	0.4985	0.4848	0.4956

Part I: The Ratemaking Process

Overview

The rates in this report are developed for the limits and retentions, as specified by Section 215.555, Florida Statutes, as updated to reflect the impact of changes due to HB301 and the actual risk transfer structure, for the Florida Hurricane Catastrophe Fund (FHCF) 2019 Contract Year. Paragon recommends an average 5.58% decrease in FHCF rates for the 2019 Contract Year based on a $17.000 billion coverage limit and a $7.422 billion per event retention, which drops to $2.474 billion for the third largest and subsequent events (1/3 of $7.422 billion). Companies that did not change their coverage selections will generally have rate decreases. After adjusting for changes in company coverage selections, the overall average FHCF rate change is projected to be an increase of 4.88%.

This rating formula will produce an estimated $1.200 billion in total FHCF premium compared to $1.103 billion in FHCF premium for the 2018 Contract Year. The increase in overall premium is projected to be 8.79% and is based on a rate decrease of 5.58%, an increase in coverage level of 11.08% and projected growth in exposure of 3.72%. After adjusting for the shift in company coverage selections towards 90%, as well as the increase in the Loss Adjustment Expense allowance and the actual risk transfer structure, the overall average rate change is projected to be an increase of 4.88%. There is no change in the statutory mandated cash build up factor of 25% from 2018 to 2019.

This premium estimate includes a reinsurance structure of 92% of $1 billion excess of $10.5 billion compared to the 2018 structure of 100% of $1 billion excess of $10.5 billion. Exhibit XVII provides the methodology for adjusting 2019 rates for alternative reinsurance structures and contracted reinsurance premiums. Exhibit XVII is not used in this version of the ratemaking formula since the final reinsurance structure is included in this presentation.

For 2019, FHCF coverage is a limit of $17.000 billion excess of $7.422 billion. There are two major factors affecting the FHCF layer of coverage for the 2019 Contract Year:

1. Pursuant to Section 215.555, Florida Statutes, the industry retention is equal to $4.5 billion adjusted for the increase in reported exposure from 2004 through 2017. As exposures have grown 64.9% over this period, the modeled retention for 2019 is $7.422 billion.
2. Pursuant to Section 215.555, Florida Statutes, the FHCF limit is equal to $17.000 billion until there is sufficient estimated claims-paying capacity to fund $17.000 billion of loss in subsequent Contract Years. As the State Board of Administration of Florida (SBA) has not made this determination, the FHCF limit for 2019 is $17.000 billion.

The above changes will vary by deductible, construction, and territory. In 2017, we modified the methodology used in the previous ten years to develop territory relativities. To improve stability in ZIP Code rating groups, the new methodology will shift a ZIP Code to a different rating territory only if the indication is for a shift of two or more rating territories or if the indicated shift of one rating territory is consistent for three years. 2019 is the third year of this new methodology.

Type of Business Allocation

The following table shows the components of the indicated premium changes by type of business.

	A	B	C	D	E
Exh. 2 Sources	Line 48	Line 51	Line 55	Line 1.1	Line 58
Calculations			((1+A)/(1+B))-1		((1+C)/(1+D))-1
Type of Business	**Premium Change**	**Exposure Change**	**Overall Avg. Rate Change**	**Company Selected Coverage Change**	**Avg. Rate Change Unadjusted For Coverage Change**
Residential	9.31%	4.00%	5.11%	9.02%	-3.59%
Tenants	1.30%	4.00%	-2.60%	0.26%	-2.85%
Condos	6.36%	5.00%	1.29%	3.90%	-2.51%
Mobile Home	-1.37%	0.00%	-1.37%	0.76%	-2.11%
Commercial	11.34%	0.00%	11.34%	44.16%	-22.77%
Total	**8.79%**	**3.72%**	**4.88%**	**11.08%**	**-5.58%**

Territory Changes

The 2019 recommended territories, like the 2018 FHCF territories, are based on analysis of losses in the FHCF coverage as modeled by AIR Worldwide Corporation (AIR), Corelogic-EQECAT (Corelogic), and Risk Management Solutions (RMS). The relationship between lowest rate and highest rate is approximately 1:37, similar to 2018. As was done last year, this ratio was adjusted to accurately reflect the indicated loss costs for territory 1. Indicated territory changes were tempered so that ZIP Codes would only shift one territory up or down if the indication was for a shift of two or more territories or if there has been an indicated one territory shift consistently for three years. With 2019 being the third year of the new methodology, 583 zip codes shifted down one territory, most due to 3-year indications of one territory shift.

Premium Summary

We project premium, exposure, and retention changes as follows:

Exposure Growth (2018 to 2019)	3.72%
Retention	$7.422 billion
Premium – 2018 (as of 10/29/18)	$1.103 billion
Premium – 2019 (Projected) 3/19/2019	$1.176 billion
Premium - 2019 (Projected) HB301 and Finalized Risk Transfer 7/25/2019	$1.200 billion

Use of Five Models Found Acceptable by the Florida Commission on Hurricane Loss Projection Methodology

For 2019, a weighting of five models found acceptable by the Florida Commission on Hurricane Loss Projection Methodology as of December 1, 2018 was used for aggregate results. The five models were AIR, Corelogic, RMS, Applied Research Associates (ARA), and the Florida Public Model (FPM). Model results were compared in detail to construct an industry distribution of losses by size. For the industry aggregate basis, consistent with the weighting methodology used in all years when the FHCF had five models, 5%, 20%, 50%, 20%, and 5% weights were applied to the models ranked from lowest to highest based on annual expected aggregate FHCF losses.

In 2019, all 5 models meet the 2015 standards. Four out of five models produced lower loss cost indications than in 2018 ratemaking, and therefore the 5-model weighted indication was lower.

For analysis of detailed allocation to type of business, territory, construction, and deductible, and for special coverage questions, three models (AIR, Corelogic, and RMS) were used for all types of business. Model results were compared in detail and 1/3 weight was given to each model for all types of business.

Summary of Changes to the 2019 Ratemaking Formula

In 2019, there are seven factors that impact premium and rate changes. Three of these factors have a major impact and four of the factors have a minor impact.

The major impact factors are:

1. Projected growth in FHCF exposure
2. Change in company coverage selections
3. Statutory Change in Loss Adjustment Expense allowance (HB301).

The minor impact factors are:

4. Retention Limit Adjustment Modeling
5. Pre-Event Note Expenses
6. Operating Expenses
7. Risk Transfer Structure and Cost

Major Impact Factors

1. The projected exposure trend increased from 2.83% in 2018 to 3.72% in 2019. The methodology for allocating trend was modified this year to recognize that most of the increase in exposure will be due to new construction. The change in distribution of exposure by age of home moderates the growth in modeled loss due to the projected increase in exposure. Exposure growth affects overall premium by type of business but not rates.

2. The 2018 average coverage selection was 73.483%. The projected 2019 average coverage is 81.629% based on March 1, 2019 selections and adjustments for rating mitigation factor changes. This change reduces the size of the 100% FHCF layer. While FHCF rates by coverage decrease by 7.43% compared to 2018 rates, the overall average FHCF rate increases by 2.83% due to the shift in coverage selections towards 90%. These were the rate changes prior to the legislative change in the loss adjustment expense allowance.

3. HB301 increased the loss adjustment expense allowance from 5% to 10% of FHCF covered losses. The legislation did not change the total FHCF limit of combined loss and loss adjustment expense coverage. This change has a uniform 2.18% impact on rates and premiums.

Minor Impact Factors

4. The modeling for the 2019 per company retention limit adjustment is based on the average of the AIR and RMS models. The change in this adjustment factor this year produced a decrease in projected losses of $4.1 million.

5. Expenses for 2013A and 2016A pre-event notes decreased from $27.7 million in 2018 to $26.1 million in 2019 due mainly to the maturation of $550 million of 2016A notes.

6. Operating expenses are projected to increase by $0.9 million from $7.9 million in 2018 to $8.8 million in 2019.

7. Estimated reinsurance premium and ceded losses were included in this year's original rate indication presentation based on 2018 projected ceded premium and ceded losses for 100% of the $1 billion excess of $10.5 billion layer. On June 20, 2019, the SBA placed 92% of the $1 billion excess of $10.5 billion layer. Due to changes in the FHCF modeled ceded losses and the available reinsurance market prices, the change in reinsurance net cost reduced FHCF rates by 0.18%. Because the reinsurance structure and premium were finalized prior to the adoption of this revised ratemaking formula, the risk transfer options table in Exhibit XVII are not needed. They are included for continuity with prior year's formula reports.

Details of the overall changes can be found in Exhibit II, which contains the following exhibits:

1. Summary of 2019 Rate Calculation;
2. Adjustment to Exposure Base and Summary of Rate Change;
3. Summary of Results; and
4. Historical Comparison of Exposures, Premiums, and Rates.

Details of the Ratemaking Process

This ratemaking formula for the FHCF is based on Section 215.555, Florida Statutes. We have followed the same basic process used since 1995. Legislation enacted in 2005 (Chapter 2005-111, Laws of Florida, CS/SBN 1486) addressed retention in multiple-event seasons by creating a per event retention that applies to a participating insurer's two largest events and drops to 1/3 for all other events. This drop-down coverage has again been incorporated into the 2019 rates.

A. Trend

For 2019 ratemaking, we reviewed construction data indices from Marshall & Swift and the actual exposures by coverage reported to the FHCF from 1995 to 2018. The Marshall & Swift construction indices for the Southeast were up 5.0% in 2018 compared to down 2.8% in 2017 as of October. Countrywide indices were up 4.5% compared to up 2.9% the prior year.

Our selection of exposure and risk count trends for 2019 was based predominantly on the last three years of historical FHCF data. The table below displays the last five years of annual growth in exposure and risks. In making selections, the FHCF trend data was benchmarked against the indications generated from the Marshall & Swift construction indices.

Historical FHCF exposure and risk counts can be found in Exhibit III. Note that the trended exposure data in Exhibit III is based on exposure reported to the FHCF as of 10/29/2018. This data was used in the catastrophe modeling process.

For 2019, the exposure trending process was refined to focus on new construction. For residential, tenants, and condominium unit owners, trends in unit counts were mainly applied to newer construction (year built 2012 and subsequent) and older year built counts were assumed to have minimal to negative trends. Exposure trends were also mainly allocated to newer construction (year built 2012 and subsequent), with trend levels closer to inflation changes for older construction. Using this approach, the overall trended FHCF exposures better reflect the improvement in damageability levels due to new construction.

Annual Growth in Exposure and Risk Counts Reported by FHCF Participating Insurers as of 10/29/2018

	Residential		Tenants		Condominiums		Mobile Homes		Commercial	
	Exposure	Risk Count	Exposure	Risk Count	Exposure	Risk Count	Exposure	Risk Count	Exposure	Risk Count
2013-2014	1.6%	0.3%	7.3%	12.0%	2.1%	0.8%	-3.7%	-1.0%	-4.3%	-5.1%
2014-2015	2.1%	0.0%	1.3%	12.2%	2.0%	0.8%	-5.8%	-7.9%	-9.8%	-7.2%
2015-2016	3.9%	1.3%	12.0%	10.3%	5.1%	3.2%	0.6%	-1.8%	-6.5%	-6.5%
2016-2017	2.8%	0.8%	9.1%	12.0%	3.9%	1.4%	1.4%	-1.1%	-3.8%	-4.5%
2017-2018	4.6%	1.7%	2.8%	-4.2%	5.9%	2.3%	2.5%	-0.5%	2.2%	0.3%
Selected	4.0%	1.0%	4.0%	4.0%	5.0%	2.0%	0.0%	0.0%	0.0%	0.0%

B. Insurance Industry Aggregate Retention for Ratemaking Purposes (Exhibit IV)

For development of this premium formula, it is necessary to assume a projected aggregate insurance industry retention to estimate losses in the aggregate layer of coverage.

Section 215.555, Florida Statutes, specifies the calculation of the retention multiple for each participating insurer. The numerator of the retention multiple is $4.5 billion adjusted by the percentage growth in FHCF covered exposure from 2004 to the Contract Year two years prior to the current year. The historical exposure for 2017 was $2,178.2 billion (as of 10/29/2018) as compared to $1,320.6 billion in 2004. The percent adjustment is 64.9%, so the numerator of the retention multiple is $7.422 billion (rounded to the nearest million).

The denominator of the retention multiple is the projected total FHCF reimbursement premium assuming all participating insurers have selected the 90% coverage option. Retention multiples by coverage % are displayed below.

Coverage %	90%	75%	45%
Retention Multiple	5.6105	6.7326	11.2211

Each participating insurer's provisional retention is the retention multiple (adjusted for coverage selection) times its provisional premium. An insurer's actual retention is the retention multiple times its actual premium.

Based on the above calculation, the retention multiple numerator of $7.422 billion is used as the insurance industry aggregate retention for simulating losses in the aggregate layer of coverage. This value is equivalent to the sum of retentions for all insurers.

Since 2003, 100% of all FHCF premiums are calculated based on the premium formula rates applied to individual company exposures. This is called Section I premium. Section II premium refers to a premium calculated from exposure under covered polices that would require individual ratemaking, with each policy risk modeled and rated individually by company. There is currently no Section II exposure and therefore no Section II premium. The Section I insurance industry aggregate retention is $7.422 billion (based on 100% of projected premium) and the Section II aggregate retention is $0 (based on 0% of projected premium.)

C. Industry Excess Layer (Exhibit IV)

Under Section 215.555(4)(c)1, Florida Statutes, "The contract shall also provide that the obligation of the board with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity of the fund up to a limit of $17 billion for that contract year, unless the board determines that there is sufficient estimated claims-paying capacity to provide $17 billion of capacity for the current contract year and an additional $17 billion of capacity for subsequent contract years."

As the board has made no such determination regarding capacity in excess of $17 billion, the limit for the 2019 Contract Year is $17 billion. This $17 billion represents the total capacity at selected coverage levels for loss and loss adjustment expense allowance. Loss adjustment expense allowance is statutorily set at 10% of losses recoverable from the FHCF. Participating insurers report only losses and do not report actual loss adjustment expenses.

The limit of $17 billion is first divided by 1.10 to produce a loss only limit of $15,454,545,455. This limit is then split between Sections I and II based on trended actual premium at current selected coverage levels. We view this as the best indicator of expected losses in the layer. Based on this split, 100% of the $15,454,545,455 limit is in Section I. This value is the Section I loss only limit.

The next step is to gross up the limit for coverage level. The 2018 average coverage level is 73.483%, which produced the actual 2018 100% loss limit of $22,032,878,037. Final 2019 company coverage selections as of March 1, 2019 produced an average coverage level of 81.629% based on 2018 company market shares and rating group definitions. The 2018 market shares were then adjusted to 2019 rating group definitions, resulting in a projected 2019 coverage level of 81.629%.

Finally, the FHCF limit is grossed up for the 2019 projected average coverage level of 81.629% to get the 100% loss limit of $18,932,706,772. The top end of the loss only layer is then an estimated projected aggregate retention of $7,422,000,000 for ratemaking purposes plus this limit, which equals $26,354,706,772.

In summary, for Section I and II loss only modeling purposes we use the following layer:

81.629% of $18,932,706,772 xs $7,422,000,000

For publication purposes, the Sections I and II loss and loss adjustment expense layer is:

81.629% of $20,825,977,449 xs $7,422,000,000

The simulations produced by the modelers are for producing manual rates per $1,000 of exposure under covered policies. The rates resulting from such simulations are referred to as Section I rates.

D. Industry Detail Exposure Data

Actual 2018 industry FHCF exposures for buildings, contents, and appurtenant structures were summarized by:

1. Type of Business (residential, tenants, condominium unit owners, mobile home, commercial habitational);
2. ZIP Code;
3. Construction/Tie-Down Type; and
4. Deductible.

For modeling, we used data as of 6/30/2018 as reported through 10/29/2018 by 163 of 163 companies reporting FHCF Section I exposure for the 2018 year. This data was trended one year as described in Section A. Exhibit III contains trended control totals of the FHCF exposures used in the modeling process.

E. Modeling Assumption and Data Changes: Combining Five Models - AIR, Corelogic, RMS, ARA & FPM

Table of Models Used to Calculate Overall Industry Losses

Model	2006-2007	2008-2019
AIR	X	X
ARA	X	X
Corelogic	X	X
RMS	X	X
FPM		X

The table above lists the models that were used to calculate the overall FHCF losses by year. Only models that had been found acceptable by the Florida Commission on Hurricane Loss Projection Methodology as of December 1 of the prior year were used in that year's ratemaking session.

In 2019, all 5 models meet the 2015 standards. Four out of five models produced lower loss cost indications than in 2018 ratemaking, and therefore the 5-model weighted indication was lower.

All five of the modelers produce a distribution of industry-wide losses based on trended reported exposures by type of business, deductible, construction, and ZIP Code. The AIR model produces a listing of losses for 50,000 simulated years while the FPM model losses are based on 58,000 simulated years. The ARA model produced a listing of losses for 250,000 simulated years. The other models produce a listing of losses by size with assigned annual frequencies. Since 2008, demand surge has been modeled directly by each of the accepted modelers. Adjustments to these loss distributions are described in the next section.

Exposure data for invalid ZIP Codes was provided to the modelers who then modeled such exposure at the county level. Less than 0.01% of total reported exposure comes from invalid ZIP Codes, which are either ZIP Codes that are located outside of the state of Florida or are ZIP Codes that the U.S. Postal Service does not recognize or has decommissioned. In the latter case, the FHCF continues to produce rates for such codes for several years in order to give companies time to update their data.

Paragon used the results from each modeler to produce industry-wide gross (that is, net of policy deductibles and after application of policy limits) annual expected losses by type of business and to produce industry-wide FHCF excess losses for all coverages combined. Data from the modelers was combined by giving weights of 5%, 20%, 50%, 20%, and 5% to the model results from lowest to highest. A weighted loss distribution is included in Exhibit V.

The FHCF weighted loss curve in Exhibit V is developed solely for estimating excess hurricane losses within the FHCF layer. Estimates of losses above the FHCF layer were not taken into consideration in developing the curve. Shifts in modeler weights within the FHCF loss layer may have an amplified impact on loss estimates above the FHCF layer.

Although it is not used for ratemaking purposes, we have included an additional loss distribution based on uniform modeler weights (20% / 20% / 20% / 20% / 20%) in Exhibit V. Over time this curve may show greater stability for losses above the FHCF layer. As stated in our disclaimer in Part III herein, we recommend that any party using this report have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

Table of Models Used for Classifications

Model	2006-2008	2009-2012	2013-2019
AIR	X	X	X
Corelogic	X	X	X
RMS	X	X	X
FPM		X	

Three of the modelers ran our 2018 Contract Year trended exposures through their models and provided more detailed outputs (i.e., losses by ZIP Code, construction, and deductible codes for each type of business) that were used to update the class plan relativities. We used a straight average of the indicated loss costs for each rating cell as a basis in order to populate our class plan with rates. Details of the allocation of rates to type of business, deductible, construction, and territory are described in Part III.

Exhibit V contains tables and graphs of modeled loss severity distributions:

1. Gross Loss per Event;
2. Excess Retention Aggregate;
3. Single Event FHCF Liabilities; and
4. FHCF Layer Aggregate.

F. Losses in the Layer at Coverage Percent

The limit for the 2019 Contract Year is $17 billion. Because the size of the excess layer is dependent on the average coverage selections of all the FHCF participating insurers, losses must be modeled after coverage selection. Coverage percentage varies by type of business, so modeled losses need to also reflect this variation. As a result, we start with the allocation to type of business and apply the coverage percentages to the layered loss (a method used consistently since 2001). We calculate the overall rates and premiums at the different coverage percentages at the end of the calculations.

Excess losses are allocated to type of business based on their adjusted gross losses. The allocations are adjusted so that no type of business has an overall rate change exceeding 15% in any one year, prior to legislated rate changes. This allocation appears in line 9 of the summary in Exhibit II. See Exhibit VI for additional details.

G. Adjustments to Modeled Losses

- **Law and Ordinance Coverage**
- **Aggregate Wind Deductible Adjustment**

These adjustments are similar to the adjustments made in the 2018 ratemaking formula.

The projected industry retention was applied to the adjusted modeled losses to estimate the FHCF excess losses. Details on the Law and Ordinance adjustments discussed here are presented in Exhibit VII. The overall increase in modeled gross losses due to these adjustments is 4.29%, compared to an increase of 4.28% in 2018.

Law and Ordinance Coverage

Law and ordinance coverage provides extra limit for Coverage A (building) in the case where additional rebuilding costs are incurred in order to comply with local laws and ordinances.

We again recommend the FHCF continue to use the factor of 4.86% of residential modeled losses. We assume most companies charge approximately 3% of premium for law and ordinance coverage. We assume approximately 45% of the losses that would generate law and ordinance losses would be FHCF hurricane losses and 25% of the base premium is FHCF premium, so 3% x (45%/25%) = 5.4%. We also assume that only 90% of all residential policies will have this coverage in place at the time of a hurricane loss. Then the loading to FHCF residential modeled losses would be 5.4% x 90% = 4.86%. See Exhibit VII for additional details.

Aggregate Wind Deductible Adjustment

Under Section 627.701, Florida Statutes, residential property insurance policies issued on or after May 1, 2005 must have hurricane deductibles that apply on an annual, rather than a per-event, basis. Insurers may apply the “other perils” deductible or any amount remaining from the hurricane deductible, whichever is greater, to a loss for a second hurricane and each subsequent hurricane that year.

The loss events were adjusted to account for this change in loss exposure. Adjustment factors by type of business were developed. Exhibit VII details the derivation of these factors. The take-up ratio only impacts the commercial type of business as only these policyholders have the option of having an annual hurricane deductible. The adjusted load was then weighted with the adjusted load from 2018 giving 33% weight and 67% weight to 2019. The selected adjustment factor is the rounded value of the weighted load after the “take-up” modification.

H. Adjustments for Per Company Limits and Retentions

In this year’s ratemaking report Paragon has updated the adjustment to expected losses for individual company limits, retentions and coverage based on information from an analysis based on detailed loss projections run by Paragon from the RMS and AIR model runs used for 2019 ratemaking. The average of the results from the two separate analyses is -.4595%. Weighting this result against the prior adjustment factor of 0.2987% (2/3 current indication, 1/3 prior selection), we recommend a factor of -0.2068 %. To summarize the approach, using the same exposure inputs and assumptions used by AIR and RMS, Paragon generated files of simulated Florida statewide gross hurricane losses. Average gross losses were first adjusted by type of business for AIR and RMS to match the average gross loss generated by the five models used in FHCF ratemaking. Each simulated gross loss was then allocated to ZIP Code and type of business. Next, FHCF market shares were applied by ZIP Code and company (based on 2018 FHCF premium) to allocate each simulated gross loss to all the FHCF companies. Simulated gross losses for each individual company were then summed and applied the companies’ projected retention, limit, and coverage percentage (based on 2018 FHCF premium market shares and 2019 selected coverages) to generate company FHCF losses. These were summed by simulated event to get FHCF total loss by event. Paragon summed losses by simulated year applying aggregate limits and impact of retention drop downs. Separately for the AIR and RMS runs, the average annual FHCF loss based individual company losses was compared to the average annual FHCF loss based on industry total losses, retention, limit and coverage percentage.

The average of the resulting adjustment factors was -0.4595% indicating, on an average basis, the two approaches generate almost identical results.

Using this more detailed approach, we also observe that there is significant variability between industry gross losses and FHCF layer losses. This variability cannot be determined when using industry gross losses, limits, and retentions to calculate FHCF layered losses. One observation is that the return time for the FHCF to exhaust its total capacity is longer than the value based on industry gross losses. Another observation is that due to increased market share of a single FHCF participating insurer in specific parts of the state, losses in areas where that insurer has very limited market share cannot generate full capacity FHCF layer losses. On the other hand, in parts of the state where one member company has significant market share, that company's retention becomes the effective retention for the industry on storm tracks in that area.

The current and prior special analyses indications can be found in Exhibit VIII.

The shape of the exceedance curves presented in Exhibits V and VIII are different, but the overall expected values of the FHCF loss layers are very similar. The Exhibit VIII curve is the more appropriate curve to use for analysis of interval FHCF losses within the FHCF layer because it more realistically recognizes the impact of company exposure distributions, retentions, and limits. Therefore, Exhibit VIII is used for analysis of expected FHCF losses offset by potential risk transfer options in section P below.

I. Other Post-Model Adjustments: (5%)

There are a few coverages that may appear on some FHCF covered policies that are not explicitly modeled in the FHCF's requested simulation. These coverages include guaranteed replacement cost, inflation guard, and reimbursable amounts paid as fees on behalf of or inuring to the benefit of a policyholder. We do not believe there is sufficient FHCF exposure from these coverages to justify additional administrative reporting and modeling at this time, but we do believe it is appropriate to load for these coverages in the post model adjustment.

Consistent with prior years, we recommend judgmentally increasing the modeled excess loss costs by 5% for all types of business to account for these coverages and other factors that are not directly included in the modeled loss results.

J. Investment Income Credit – Eliminated in 2012

Since 2012, the FHCF has not used investment income in current year rates. Exhibit IX contains the following tables:

1. FHCF rate of return history;
2. Graph of Interest Rate Assumption; and
3. FHCF Financial Statement Investment Income.

There are three reasons that the use of an investment income credit in FHCF ratemaking is not appropriate and has been discontinued at this time.

First, the FHCF investment credit is based on anticipated future long term retained investment income. The amount of anticipated future investment income assumes the FHCF would maintain a stable structure in perpetuity. Since the FHCF's inception, Florida statutes have been revised and FHCF coverage layers have changed resulting in lower return times and less investment income than originally projected in prior contract year ratemaking.

Second, during periods of sharp interest rate drops such as after 2000 and 2008 the FHCF will need rate increases due to reductions in the investment credit. These rate increases reduce FHCF long term rate stability.

Third, when investment income is used for providing a credit to current year rates, the same investment income cannot be used for mitigation funds appropriated by the legislature. During the years when an investment income credit was used, the premium formula required a matrix to adjust final rates to cover the potential FHCF for FHCF mitigation appropriations which were usually not finalized until the end of the legislative session after the premium formula had been approved. This approach also causes potential instability in FHCF rates. During years when no investment credit is included in the premium formula, the investment income can be used for mitigation appropriation without impacting FHCF rates.

For the three reasons above, we have discontinued the use of the investment credit in the FHCF ratemaking formula.

K. Operating Expenses and Mitigation Funding

Operating expenses of $8,796,525 are based on an estimate of 2019 fiscal year operating expenses provided by the SBA. This value is an increase of $864,248 from the 2018 Contract Year projected expense of $7,932,277.

Per section J, the estimated mitigation funding target underlying the rates is set at zero since no investment income will be used to reduce 2019 rates. Pursuant to Section 215.555, Florida Statutes, the minimum appropriation is $10 million, and the maximum appropriation is 35% of the prior fiscal year's investment income. In 2018, the Florida legislature appropriated $13.5 million for mitigation. For the 2019-2020 FHCF contract year, the calculated maximum amount subject to mitigation appropriation will be 35% of $201,443,000 which equals $70,505,050. Appropriation of mitigation funding will not affect the FHCF rates in 2019.

L. Pre-Event Notes Expense

This year's estimate of $26.1 million is the sum of the projected cost estimates for 2013A and 2016A pre-event notes. This estimate includes the net carrying cost and a judgmental loading for potential asset loss during the Contract Year. The 2019 carrying cost estimates are provided by the FHCF's Financial Advisor, Raymond James & Associates. Raymond James' cost estimate is the projected difference between the interest payments to note holders and the investment income on the note proceeds during the 2019 Contract Year (see Exhibit X).

A 0.3% judgmental loading (based on historical FHCF information) is added to the carrying cost for potential asset loss during the Contract Year. The sum of this loading is $5.1 million. The loading for the 2013A notes is $3.0 million (0.3% of $1.00 billion). $500 million of the 2013A notes came due on 7/1/2018 so the value of the 2013A notes will be $1 billion for the entire 12 months of the 2019 contract year. $550 million of the 2016A notes will come due on 07/1/2019 so the remaining value of the 2016A notes will be $650 million for the last 11 months of the 2019 contract year. The loading for the 2016A notes is $2.1 million (0.3% of $0.7 billion).

Should the SBA authorize additional expenditure for pre-event notes during the 2019 Contract Year, the rates, retention multiples, and payout multiple should be modified using the factors provided in Exhibit XI.

M. Premium Credits (Windstorm Mitigation Construction Credits)

We are using the same approach to windstorm mitigation construction factors as we used in the 2018 Ratemaking Formula Report, including the incorporation of factors for the following mitigation features recognized since 2012*:*

Type of Business	***Year Built***	***Structure Opening Protection***	***Roof Shape***
Commercial Residential	*X*	*X*	*X*
Residential	*X*	*X*	*X*
Mobile Home			
Tenants	*X*	*X*	*X*
Condominium Owners	*X*	*X*	*X*

The proposed rate factors associated with each variable are shown in Exhibit XIV. We propose that these be applied to calculate the final rate for any covered policy subject to the following:

- Year built, structure opening protection, and roof shape factors be applied multiplicatively;
- The combined factor for any risk will not be capped;
- Every risk will be evaluated for its rating factor; and
- A final factor will be applied by type of business so that the indicated premium levels for each type of business are achieved.

Exhibit XII includes:

1. Calculation of actual 2018 premium credits/surcharges;
2. 2018 distribution of credits/surcharges; and
3. 2018 distribution of exposure and counts by rating region and type of business.

N. Section II (Excess) Adjustment

We included $0 of Section II premium, based on the fact that there was no Section II exposure reported in 2018. Section II premium covers policies that require individual rating procedures. These exposures would be modeled and rated individually by company.

O. Adjustment for Updated Exposures

In the past, we have included an adjustment for change in premiums and exposures between November of the prior year and February of the current year. This change does not affect rate changes but should improve the accuracy of projected premium. For this year, there was no material change to FHCF exposure, so an adjustment was not included.

P. Risk Transfer Options

Estimated reinsurance premium and ceded losses were included in this year's original rate indication presentation to the SBA Trustees based on 2018 projected ceded premium and ceded losses for 100% of the $1 billion excess of $10.5 billion layer. The rates presented in this revised report include a loading for the actual cost of risk transfer for a ceded layer of 92% of $1 billion excess of $10.5 billion. Due to changes in the FHCF modeled ceded losses and available reinsurance market prices in 2019, the change in reinsurance net cost reduced FHCF rates by 0.18%. The original estimated ceded premium was set equal to the 2018 initial premium of $63.0 million and projected ceded losses of $28.2 million. The authorized actual ceded premium for 2019 is $63.480 million with projected ceded losses of $30.322 million. Exhibit XVII which specifies the formula for adjusting premium, rates and factors for changes in reinsurance structure is not needed in this year's ratemaking formula but is included for continuity with prior years' reports.

The estimates for FHCF ceded loss credits are based on the average of 2019 AIR and RMS data distributions in Exhibit VIII. Exhibit XVII is based on the same loss severity distribution and displays probability of exceedance for specific FHCF layers with the adjustments to the FHCF loss layer level prior to fixed expenses. The estimated losses assume a loss adjustment expense allowance of 10% of reimbursed losses per the June 18, 2019 revision to the FHCF statute.

The Net Risk Transfer Cost Premium in Exhibit XVII and the Estimated Additional Annual Cost of Pre-Event Notes in Exhibit XI are additive in their impact on FHCF premium and rates. Retention and Projected Payout Multiples can be adjusted with interpolation based on the sum of the combined impact on FHCF premiums.

2019 Reinsurance Update Note: Both the original premium formula approved by the SBA Trustees on April 2, 2019 (based on current law as of that date with 5% loss adjustment expense allowance) and the revised premium formula presented to the FHCF Advisory Council May 30, 2019 (based on the revised statute effective June 1, 2019 with 10% loss adjustment expense allowance) assumed no change in reinsurance structure, ceded losses, and ceded premium from 2018. The actual reinsurance structure is reflected in the July 25, 2019 ratemaking formula as 92% of $1 billion excess of $10.5 billion for $63.480 million. The impact of the change to the actual reinsurance structure on FHCF premiums, retention, and projected payout multiples are summarized in the following tables. All risk transfer changes are based on the Exhibit XVII formulas.

Part 1:	**Premium Adjustment**					
1	Total FHCF proposed premium from Ratemaking Formula Report 3/19/2019 with estimated risk transfer			1,176,327,641		
2	Premium adjustment for HB301 (10% LAE)			25,645,893		
3	Total FHCF proposed premium from Ratemaking Formula Report 5/30/2019 with 10% LAE and with estimated risk transfer			1,201,973,534		
4	Premium adjustment for actual risk transfer placement			-2,148,121		
5	Total FHCF proposed premium with actual risk transfer			1,199,825,413		
6	Factor Adjustment (5)/(1)			1.0200		
7	% Adjustment			2.00%		
Part 2:	**Projected Payout and Retention Multiple Adjustments**			3/19/2019 Ratemaking Report (with estimated risk transfer)	5/30/2019 Ratemaking Report (HB 301 10% LAE)	7/25/2019 Ratemaking Report (with actual risk transfer)
1	Projected Payout Multiple			14.4518	14.1434	14.1687
2	Retention Multiples		100%	5.1503	5.0405	5.0495
3			90%	5.7226	5.6005	5.6105
4			75%	6.8671	6.7206	6.7326
5			45%	11.4452	11.2010	11.2211

Part II: Allocation of Premium

Within a type of business, premium is allocated to territory, construction, and deductible based on a set of relativities. This is the same process that has been used since the creation of the 2001 rates. In all cases, the relativities recommended for 2019 have been adjusted so that none of them has changed by more than 15%. In 2019, the allocation process for territories was changed as described below. There were no other significant changes in the allocation process for 2019. Following is an overview of the FHCF rating classifications and the entire allocation process.

Overview of the Rating Classifications

1. Type of Business

The actuarially indicated FHCF premium is allocated first among the five types of business: commercial, residential, mobile home, tenants, and condominium unit owners. This allocation is based on the hurricane catastrophe modeling. For each modeled event, the proportion of FHCF layer losses allocated to each type of business is identical to the allocation of gross losses from that event. This process incorporates the varying weighted average coverage selection of each type of business. This approach produces indicated allocations, which are then adjusted so that no type of business has an indicated rate change of more than 15%. Actual allocations can be found in Exhibit VI.

2. Territorial Definitions

Since 2001, the FHCF revises rating territories using information from three hurricane models: AIR, Corelogic, and RMS. Territory definitions are based on excess layer loss costs, as they are indicative of what insurers might recover from the FHCF. Actual changes to territories are tempered each year to minimize the magnitude of rate changes. For 2019, indicated territories have been recalculated for each ZIP Code using the latest data from these models.

In order to increase rating stability, the FHCF territory tempering method was changed in 2017. Review of past FHCF rating history shows that there have been many years when there were large numbers of ZIP Codes shifting one territory in a year and then shifting back one territory the following year (see Exhibit XVIII). Starting in 2017 a ZIP Code is shifted by one territory to a new territory only if the indication is for a shift of two or more territories or a shift of one territory has been consistent for three years. 2019 being the third year of the new methodology, 583 zip codes shifted down one territory, most due to 3-year indications of one territory shift.

3. Construction

In 2018, FHCF data was collected for four residential, seven commercial, and three mobile home construction types. Tenants and condominium unit owners exposures have the same construction classes as commercial. The mobile home codes relate to the extent of their tie downs and their compliance with Federal Housing and Urban Development building codes that went into effect in July 1994.

4. Deductibles

The rates proposed are for the same sets of deductibles as for 2018. Relativities for each deductible vary by type of business. As with construction relativities, changes in deductible relativities were limited to changing no more than 15%.

General Overview of the Rate Allocation Process

Construction Classes

Relativities between the most common construction within a type of business and the other construction types were calculated using AIR, Corelogic, and RMS generated ZIP Code level loss costs. The indicated relativities were selected, except that they were limited to changing from the 2018 relativities by no more than 15%.

Rates for unknown construction are calculated using the same method as other construction types, not to exceed the highest rate for all known constructions in the same type of business.

Rating Region (Territory) Definition

To begin the process this year, we identified the 1,457 ZIP Codes for which rates would be produced. These are the currently valid U.S. Postal Service ZIP Codes in Florida, plus some recently deactivated ZIP Codes for which we continue to produce rates. We identified 928 of the ZIP Codes that had at least $30 million of total exposure. The remaining 529 ZIP Codes were mapped to these 928 ZIP Codes by location. Most of these 529 ZIP Codes were exclusively post office boxes. They inherited their territory from the territory of the ZIP Code to which they were mapped. The purpose of this step was to avoid trying to assign ZIP Codes to territories if they had very little exposure. When a ZIP Code has no frame exposure, for example, the models produce a 0.00 loss cost. To avoid these problems and to increase the reliability of the modeled losses, this mapping technique was employed.

In order to define territories, residential base deductible ZIP Code level loss costs to the FHCF layer were used. The excess loss costs from three models (AIR, Corelogic, and RMS) were averaged and then weighted by the amount of construction in the three classes: frame, masonry, and masonry veneer. Together, these constructions account for over 99% of residential exposure. The result was a weighted average loss cost for each ZIP Code.

The ZIP Codes were ranked by weighted average loss cost and partitioned into 25 territories, or rating regions. We set the relativities between rating regions ahead of time, and then fit the ZIP Codes to these values. This enabled a more consistent spread of values between the highest and lowest rates. In keeping with past rates, the ratio of the rates in the highest and lowest regions was set at 35:1. Subject to these guidelines, statistical methods were used to maximize the differences between regions and minimize the variation within a region. This same procedure was performed for this year's rates. Subsequently, we judgmentally adjusted the territory 1 loss cost down to better reflect actual indications for territory 1. This adjustment had the effect of changing the ratio to approximately 37:1.

We tempered the change in territory from 2018 to 2019 by limiting the territory movement to no more than one from its 2018 territory assignment and only if there is an indication of a movement of two or more territories. This change has been made in 2019 to increase stability of territory definitions.

The proposed (tempered) territories, or rating groups, are presented in Exhibit XIII. Exhibit XV shows exposure and counts by territory. Exhibit XIX displays the proposed territories as maps.

Production of Rates

The total FHCF losses have been allocated to five types of business (Exhibit VI). Within each, construction and deductible relativities have been calculated. In this process, ZIP Code level modeled loss costs were combined using a straight average. Relativities between territories were determined in the territorial definition process.

An overall premium adjustment factor was calculated for each type of business, so that the modeled exposure, when rated using 90% coverage rates, produced the desired total premium for each type of business. In this last step, the premium required was adjusted to the 90% coverage level.

Rates for 75% and 45% coverage level were calculated as 75/90ths and 45/90ths, respectively, of the 90% coverage rates.

The proposed rates produced for the base set of deductibles are found in Exhibit XIV.

Exhibit XV shows exposure and counts by territory.

Exhibit XVI compares rate changes for Residential Masonry (2% Deductible) by rating region across the state before application of windstorm mitigation credits.

The rates that are published in these exhibits are base rates. To calculate the final rate for an insured risk, one must take into consideration the relativities applicable for the three construction characteristics:

Preliminary factor = (year built factor) x (roof shape factor) x (opening protection factor)

2019 mitigation factors do not have a cap. Prior to 2014 the preliminary factor was tempered by minimum and maximum caps. In 2014 we removed the cap of plus or minus 30% to unlimited due to increased credibility in reported company data.

Actual factor = Preliminary Factor.

A small on balance factor is applied so that the final rates will produce the indicated FHCF reimbursement premium levels by type of business.

Final rate = (Base rate) x (actual factor) x (on balance factor).

All rate factors for the windstorm mitigation construction rating classifications and the on balance factor are shown in Exhibit XIV.

Part III: Limitations

Scope

This report was prepared for the use of the State Board of Administration of Florida (SBA) for the sole purpose of developing a formula for determining the actuarially indicated premium to be paid by individual companies for the Florida Hurricane Catastrophe Fund (FHCF) for the 2019 Contract Year as specified by Section 215.555, Florida Statutes. The formula must be approved by unanimous vote of the SBA Trustees and they may, at any time, revise the formula pursuant to the procedure provided in Section 215.555(5)(b), Florida Statutes.

The rates in this report are developed for the limits and retentions specified by Section 215.555, Florida Statutes, for the 2019 Contract Year. No adjustments have been made to reflect availability of FHCF financial capacity during and subsequent to the 2019 Contract Year.

Actual coverage provided by the FHCF for the 2019 Contract Year is subject to modification due to legislative, judicial, or regulatory actions. Except where explicitly noted, such modifications are not considered in this report.

Data Sources

In developing the 2019 FHCF ratemaking formula, we have relied on the following data from various sources:

1. FHCF 2018 Contract Year exposure data as of 10/29/2018 as reported by 163 FHCF companies and compiled by Paragon. This data has not been fully audited yet and could be subject to variability in terms of amounts and classifications of exposure data.
2. Historical FHCF exposure data from prior years, subject to audit by FHCF auditors and compiled by Paragon.
3. Projections of 2019 season hurricane losses prepared by AIR, ARA, Corelogic, FPM, and RMS for use in determining overall expected industry losses. All loss projections are based on catastrophe models that have been accepted by the Florida Commission on Hurricane Loss Projection Methodology as of December 1, 2018.
4. Allocations of projected 2019 season hurricane losses prepared by AIR, Corelogic, and RMS for use in developing various rating classifications.
5. Special analyses of mitigation rating factors prepared by AIR, ARA, Corelogic and RMS.
6. Special analyses of projected hurricane losses by county by ARA, Corelogic and RMS.
7. Special analyses of projected hurricane losses by ZIP Code by Paragon using AIR and RMS models.
8. Historical FHCF investment returns as reported by the SBA.
9. Industry residential construction cost trends for Florida and the United States as developed by Marshall & Swift.
10. Estimates of projected FHCF operating expenses by FHCF staff.
11. Estimates of projected net expenses for 2013A and 2016A Pre-Event Notes by Raymond James and Associates.

We have not audited or verified the sources of the data and information. If the underlying data or information is inaccurate or incomplete, the results of our formula report may be impacted.

Variability of Results

Ratemaking is the projection of future losses and expenses and their relationship to future exposures. The projected rates contained in the attached report represent our best professional judgment. In property catastrophe reinsurance, actual losses are likely to vary from expected losses. The degree of variation could be substantial and could be in either direction from estimates. There is also significant potential for future variability in projections of expenses and exposures.

Distribution and Use

This report was prepared for the use of the SBA for the sole purpose of developing a formula for determining the actuarially indicated premium to be paid by individual companies for the FHCF for the 2019 Contract Year as specified by Section 215.555, Florida Statutes. The data, assumptions, methodology, and results in this report may not be appropriate for other than the intended use. We recommend that any party using this report have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

A copy of this report will be available on the web site of the FHCF.

EXHIBIT

II

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Summary of Rate Calculation

Section I : Retention, Attachment and Coverage		Residential	Tenants	Condos	Mobile Home	Commercial	Total		
Coverage Avg. % as of 10/29/2018		73.993%	79.646%	79.668%	88.930%	59.764%	73.483%	(0.9)	
Coverage Avg. % as of 03/01/2019		80.669%	79.851%	82.779%	89.607%	86.159%	81.629%	(1)	
Coverage Change		9.023%	0.257%	3.905%	0.760%	44.164%	11.085%	(1.1)	
Retention	7,422,000,000							(2)	
Loss Only Limit	18,932,706,772							(3)	
Retention + Limit	26,354,706,772							(4)	(2)+(3)
Loss and LAE at Coverage Limit	17,000,000,000							(5)	(3)*total(1)*1.10
Section I		Residential	Tenants	Condos	Mobile Home	Commercial	Total		
Gross Losses at 100% Unadjusted		2,466,214,333	20,623,676	202,377,656	105,354,929	312,082,182	3,106,652,776	(6)	
Gross Losses at 100% Adjusted*		2,597,910,179	20,633,988	202,640,746	105,839,562	312,768,763	3,239,793,238	(7)	
% Adjustment		5.340%	0.050%	0.130%	0.460%	0.220%	4.286%	(8)	(7)/(6) - 1
* Adjustment includes factors for law and ordinance coverage and annual aggregate deductibles.									
Allocation of Excess Loss to Type of Business at Coverage Level		80.972%	0.718%	6.481%	3.664%	8.164%	100.000%	(9)	[Alloc of Excess Losses] (7)
Excess Losses and LAE at Coverage		698,973,339	6,200,885	55,947,526	31,631,519	70,475,797	863,229,066	(10)	(9)*total(10)
Per Company Analysis Factors									
Retention Adjustment								(11)	(11 Factor)*(10)
Limit Adjustment adj value	-0.207%							(14)	(14 Factor)*(10)
Combined Retention and Limit Adjustment	-0.207%	-1,445,140	-12,820	-115,672	-65,399	-145,710	-1,784,741	(15)	(15 Factor)*(10)
Total Loss After Per Company Analysis Factors		697,528,199	6,188,065	55,831,854	31,566,120	70,330,087	861,444,325	(16)	(10)+(15)
Post Model Adjustment Factors		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	(17)	
		34,876,410	309,403	2,791,593	1,578,306	3,516,504	43,072,216	(18)	(17)*(16)
Total Gross Excess Loss and LAE		732,404,609	6,497,468	58,623,447	33,144,426	73,846,591	904,516,541	(19)	(18)+(16)
Special Adjustments									
Investment Income	0.000%	0	0	0	0	0	0	(20)	(20 Factor)*(19)
Ceded Loss & LAE ($1 B xs. $10.5 B)	-3.352%	-24,552,297	-217,814	-1,965,226	-1,111,096	-2,475,549	-30,321,982	(21)	Estimated Ceded Losses from 2018 Exhibit II line 21
Total Special Adjustment	-3.352%	-24,552,297	-217,814	-1,965,226	-1,111,096	-2,475,549	-30,321,982	(22)	(20)+(21)
Net Loss & LAE Prior to Expense Loadings and Credits (Base Prem)		707,852,312	6,279,654	56,658,221	32,033,330	71,371,042	874,194,560	(23)	(19)+(22)
Fixed Expense Loadings									
Operating Expense	1.006%	7,122,717	63,189	570,120	322,333	718,166	8,796,525	(24a)	SBA Operating Expenses
2016A Note Expense	1.039%	7,356,500	65,263	588,832	332,913	741,738	9,085,246	(24b)	Debt Service Payment & Held Asset Risk Charge
2013A Note Expense	1.945%	13,765,230	122,117	1,101,803	622,935	1,387,915	17,000,000	(24c)	Debt Service Payment & Held Asset Risk Charge
Mitigation Funding	0.000%	0	0	0	0	0	0	(25)	Paid from Investment Income (not from premium)
Offset for Premium Credits and Adjustments		0	0	0	0	0	0	(26)	-((1+(33))*(1+(37))-1)*((24a+24b+24c+24d)+(25))/((1+(33))*(1+(37))
Total Fixed Expense Loadings	3.990%	28,244,447	250,568	2,260,754	1,278,181	2,847,820	34,881,771	(27)	(24a)+(24b)+(24c)+(24d)+(25)+(26)
2019 Section I Base Premium at Coverage Level prior to Cash Build Up		736,096,759	6,530,222	58,918,975	33,311,512	74,218,862	909,076,330	(34)	

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Section I: Adjustment to 10/29/2018 Exposure Base And Summary of Rate Change

			Residential	Tenants	Condos	Mobile Home	Commercial	Total		
Adjustment for Change in Reportings 10/29/2018 to 10/29/2018										
2018 Section I Base Premium	as of 10/29/2018		888,739,645	8,508,465	73,115,114	44,576,276	87,981,236	1,102,920,735	(35)	
(Net of Credits)	as of 10/29/2018		888,739,645	8,508,465	73,115,114	44,576,276	87,981,236	1,102,920,735	(36)	
	Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	(37)	(36)/(35) - 1
2018 Section I Exposure	as of 10/29/2018		1,960,950,683,223	28,254,287,214	102,304,393,979	27,056,757,709	156,590,097,051	2,275,156,219,176	(38)	
(All ZIP Codes)	as of 10/29/2018		1,960,950,683,223	28,254,287,214	102,304,393,979	27,056,757,709	156,590,097,051	2,275,156,219,176	(39)	
	Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	(40)	(39)/(38) - 1
Exposure Trend (2018 to 2019)			4.00%	4.00%	5.00%	0.00%	0.00%	3.72%	(41)	
2019 Section I Exposure			2,039,332,026,649	29,383,506,469	107,419,773,869	27,056,757,709	156,590,097,051	2,359,782,161,747	(42)	(1+(41))*(39)
2019 Section I Actuarially Indicated Base Premium at Coverage Level			736,096,759	6,530,222	58,918,975	33,311,512	74,218,862	909,076,330	(43)	(34)
2019 Section I Actuarially Indicated Base Premium at Cov. Level Adj. For Reporting Change			736,096,759	6,530,222	58,918,975	33,311,512	74,218,862	909,076,330	(43.01)	(1+(37))*(43)
Cash Build-up Factor										
2019 Adjusted Sect. I Base Premium at Coverage at 2019 Cash Build-up Level		25%	920,120,949	8,162,778	73,648,719	41,639,390	92,773,577	1,136,345,413	(45)	(43.01)*1.25
Variable Expense Loading										
Reinsurance	Factor	5.586%	51,400,989	456,000	4,114,260	2,326,114	5,182,638	63,480,000	(45a)	(45)*(1/(1-Reins %))
2019 Section I Base Premium at Coverage with Cash Build-up & Variable Expenses		5.2908%	971,521,938	8,618,778	77,762,979	43,965,503	97,956,215	1,199,825,413	(45b)	(45)+(45a)

Summary of Section I , Premium, Exposure and Rate Change

			Residential	Tenants	Condos	Mobile Home	Commercial	Total		
Base Premium (25% CB)	2018	as of 10/29/2018	888,739,645	8,508,465	73,115,114	44,576,276	87,981,236	1,102,920,735	(46)	(36)
	2019		971,521,938	8,618,778	77,762,979	43,965,503	97,956,215	1,199,825,413	(47)	
	Change		9.31%	1.30%	6.36%	-1.37%	11.34%	8.79%	(48)	((47)/(46))-1
Exposure	2018	as of 10/29/2018	1,960,950,683,223	28,254,287,214	102,304,393,979	27,056,757,709	156,590,097,051	2,275,156,219,176	(49)	(39)
	2019		2,039,332,026,649	29,383,506,469	107,419,773,869	27,056,757,709	156,590,097,051	2,359,782,161,747	(50)	(42)
	Change		4.00%	4.00%	5.00%	0.00%	0.00%	3.72%	(51)	((50)/(49))-1
Rate (at 25% CB)	2018	as of 10/29/2018	0.4532	0.3011	0.7147	1.6475	0.5619	0.4848	(52)	1000*(46)/(49)
	2019		0.4764	0.2933	0.7239	1.6249	0.6256	0.5084	(53)	1000*(47)/(50)
	Change		5.11%	-2.60%	1.29%	-1.37%	11.34%	4.88%	(54)	((53)/(52))-1
Rate at 25% CB	2019		0.4764	0.2933	0.7239	1.6249	0.6256	0.5084	(54.01)	
Overall Rate Change			5.11%	-2.60%	1.29%	-1.37%	11.34%	4.88%	(55)	(('1000*(45b)/(50))/(52))-1
Rates at 90% (Unadjusted for Coverage Level)										
	2018		0.5513	0.3403	0.8074	1.6673	0.8461	0.5937	(56)	((52)*(.9/(0.9))
	2019		0.5315	0.3306	0.7871	1.6321	0.6534	0.5606	(57)	((53)*(.9/(1))
Rate Change Unadjusted for Coverage Level			-3.59%	-2.85%	-2.51%	-2.11%	-22.77%	-5.58%	(58)	((57)/(56))-1

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Summary of Results

	Retention	Limit	Residential	Tenants	Condos	Mobile Home	Commercial	Total		
Premium										
Section I: Basic Cov.			971,521,938	8,618,778	77,762,979	43,965,503	97,956,215	1,199,825,413	(69)	(45b)
Section I: Extended Cov.			-	-	-	-	-	-	(70)	There is no Extended Coverage Charge for Citizens
Section I: Subtotal	7,422,000,000	17,000,000,000	971,521,938	8,618,778	77,762,979	43,965,503	97,956,215	1,199,825,413	(71)	(70)+(69)
Section II	0	0	0	0	0	0	0	0	(72)	There is no Section II exposure
Total	7,422,000,000	17,000,000,000	971,521,938	8,618,778	77,762,979	43,965,503	97,956,215	1,199,825,413	(73)	(71)+(72)
Coverage %			80.669%	79.851%	82.779%	89.607%	86.159%	81.629%	(74)	(1)
Projected Payout Multiple		14.1687								(73Limit)/(73total prem)
Retention Multiples	100%	5.0495	1,204,336,213	10,793,581	93,939,964	49,064,982	113,692,751	1,469,855,117	(75)	(73ret)/(73 tot prem)*(74tot)/100%)
	90%	5.6105	1,083,902,592	9,714,223	84,545,968	44,158,484	102,323,476	1,322,869,606	(76)	(73ret)/(73 tot prem)*(74tot)/90%)
	75%	6.7326	903,252,160	8,095,186	70,454,973	36,798,737	85,269,563	1,102,391,338	(77)	(73ret)/(73 tot prem)*(74tot)/75%)
	45%	11.2211	541,951,296	4,857,111	42,272,984	22,079,242	51,161,738	661,434,803	(78)	(73ret)/(73 tot prem)*(74tot)/45%)
Sect. I Projected Exposure		2019	2,039,332,026,649	29,383,506,469	107,419,773,869	27,056,757,709	156,590,097,051	2,359,782,161,747	(79)	(49)
Sect. I Avg. Basic Rates	100%		0.5906	0.3673	0.8745	1.8134	0.7261	0.6229	(80)	1000*(69)/(79)*((100%/(74))
	90%		0.5315	0.3306	0.7871	1.6321	0.6534	0.5606	(81)	1000*(69)/(79)*((90%/(74))
	75%		0.4429	0.2755	0.6559	1.3601	0.5445	0.4672	(82)	1000*(69)/(79)*((75%/(74))
	45%		0.2657	0.1653	0.3935	0.8160	0.3267	0.2803	(83)	1000*(69)/(79)*((45%/(74))
	Average Coverage		0.4764	0.2933	0.7239	1.6249	0.6256	0.5084	(84)	1000*(69)/(79) or (52)
Overall Section I Rate Change										
	Total Premium	2018	888,739,645	8,508,465	73,115,114	44,576,276	87,981,236	1,102,920,735	(85)	(45)
		2019	971,521,938	8,618,778	77,762,979	43,965,503	97,956,215	1,199,825,413	(86)	(73)
	Total Exposure	2018	1,960,950,683,223	28,254,287,214	102,304,393,979	27,056,757,709	156,590,097,051	2,275,156,219,176	(87)	(48)
		2019	2,039,332,026,649	29,383,506,469	107,419,773,869	27,056,757,709	156,590,097,051	2,359,782,161,747	(88)	(49)
	Average Rate (000s)	2018	0.4532	0.3011	0.7147	1.6475	0.5619	0.4848	(89)	1000*(85)/(87)
		2019	0.4764	0.2933	0.7239	1.6249	0.6256	0.5084	(90)	1000*(86)/(88)
	Overall Rate Change		5.11%	-2.60%	1.29%	-1.37%	11.34%	4.88%	(91)	(90)/(89) - 1
Rates at 90% (Unadjusted for Coverage Level)		2018	0.5513	0.3403	0.8074	1.6673	0.8461	0.5937	(92)	(56)
		2019	0.5315	0.3306	0.7871	1.6321	0.6534	0.5606	(93)	(57)
Rate Change Unadjusted for Coverage Level			-3.59%	-2.85%	-2.51%	-2.11%	-22.77%	-5.58%	(94)	(57)/(56)-1

Paragon Strategic Solutions Inc.
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Section I: Historical Exposures and Premiums

Section I Exposures (as of 10/29/2018)

Year		Residential	Tenants*	Condo-Owners	Mobile Home	Commercial	Total
2009		$1,815,472,177,828	$17,345,852,866	$84,198,948,574	$36,761,961,986	$212,460,681,802	$2,166,239,623,056
2010		$1,817,662,481,519	$17,569,203,805	$83,886,023,190	$35,542,039,480	$209,853,976,263	$2,164,513,724,257
2011		$1,777,677,567,002	$18,329,345,968	$84,448,798,032	$33,837,366,975	$203,072,396,562	$2,117,365,474,539
2012		$1,742,101,137,356	$19,311,739,294	$84,152,063,133	$31,569,203,791	$199,076,994,510	$2,076,211,138,084
2013		$1,692,585,905,910	$20,716,140,015	$84,939,169,492	$28,539,351,997	$197,362,838,239	$2,024,143,405,653
2014		$1,719,567,803,513	$22,229,245,146	$86,702,102,354	$27,474,291,575	$188,824,739,041	$2,044,798,181,629
2015		$1,754,969,315,990	$22,508,843,627	$88,453,721,949	$25,877,523,024	$170,243,010,515	$2,062,052,415,105
2016		$1,822,895,641,425	$25,213,767,240	$92,927,887,318	$26,037,614,203	$159,161,191,747	$2,126,236,101,933
2017		$1,874,498,279,897	$27,496,647,636	$96,596,492,932	$27,496,647,636	$153,185,395,027	$2,178,173,258,579
2018		$1,960,950,683,223	$28,254,287,214	$102,304,393,979	$27,056,757,709	$156,590,097,051	$2,275,156,219,176
2019	(Proj.)	$2,039,332,026,649	$29,383,506,469	$107,419,773,869	$27,056,757,709	$156,590,097,051	$2,359,782,161,747
2020							

Section I Premiums (as of 10/29/2018)

Year		Residential	Tenants*	Condo-Owners	Mobile Home	Commercial	Total
2009		$821,700,186	$6,499,295	$52,307,156	$39,714,714	$155,523,244	$1,075,744,595
2010		$859,864,344	$6,502,492	$51,872,015	$43,539,127	$153,444,469	$1,115,222,446
2011		$880,754,111	$6,505,495	$53,683,414	$45,968,427	$150,384,875	$1,137,296,322
2012		$981,901,520	$8,032,833	$60,505,008	$43,863,584	$167,063,181	$1,261,366,127
2013		$977,906,580	$9,143,951	$64,528,991	$37,315,378	$175,438,169	$1,264,333,070
2014		$981,990,781	$10,188,137	$66,375,860	$35,208,908	$173,880,302	$1,267,643,988
2015		$975,194,503	$9,276,293	$67,838,597	$34,674,641	$128,846,280	$1,215,830,315
2016		$909,067,322	$8,944,937	$68,539,686	$39,405,140	$110,550,511	$1,136,507,596
2017		$912,346,334	$9,222,487	$70,559,111	$43,558,988	$93,885,222	$1,129,572,141
2018		$888,739,645	$8,508,465	$73,115,114	$44,576,276	$87,981,236	$1,102,920,735
2019	(Proj.)	$971,521,938	$8,618,778	$77,762,979	$43,965,503	$97,956,215	$1,199,825,413
2020							

Section I Average Rates (per $1000)

Year		Residential	Tenants*	Condo-Owners	Mobile Home	Commercial	Total
2009		0.4526	0.3747	0.6212	1.0803	0.7320	0.4966
2010		0.4731	0.3701	0.6184	1.2250	0.7312	0.5152
2011		0.4955	0.3549	0.6357	1.3585	0.7405	0.5371
2012		0.5636	0.4160	0.7190	1.3894	0.8392	0.6075
2013		0.5778	0.4414	0.7597	1.3075	0.8889	0.6246
2014		0.5711	0.4583	0.7656	1.2815	0.9209	0.6199
2015		0.5557	0.4121	0.7669	1.3400	0.7568	0.5896
2016		0.4987	0.3548	0.7376	1.5134	0.6946	0.5345
2017		0.4867	0.3354	0.7305	1.5842	0.6129	0.5186
2018		0.4532	0.3011	0.7147	1.6475	0.5619	0.4848
2019	(Proj.)	0.4764	0.2933	0.7239	1.6249	0.6256	0.5084

Percent Change in Rates

Years	Residential	Tenants*	Condo-Owners	Mobile Home	Commercial	Total
2009-10	4.52%	-1.22%	-0.46%	13.39%	-0.11%	3.75%
2010-11	4.73%	-4.10%	2.80%	10.90%	1.28%	4.25%
2011-12	13.76%	17.20%	13.10%	2.28%	13.32%	13.11%
2012-13	2.51%	6.12%	5.66%	-5.90%	5.93%	2.81%
2013-14	-1.16%	3.84%	0.77%	-1.99%	3.59%	-0.75%
2014-15	-2.70%	-10.08%	0.18%	4.56%	-17.81%	-4.89%
2015-16	-10.25%	-13.92%	-3.83%	12.94%	-8.23%	-9.35%
2016-17	-2.40%	-5.46%	-0.96%	4.68%	-11.76%	-2.98%
2017-18	-6.88%	-10.22%	-2.16%	4.00%	-8.33%	-6.52%
2018-19	5.11%	-2.60%	1.29%	-1.37%	11.34%	4.88%

Historical Rates as Percent of 2019 Rates

Year	Residential	Tenants*	Condo-Owners	Mobile Home	Commercial	Total
2009	95%	128%	86%	66%	117%	98%
2010	99%	126%	85%	75%	117%	101%
2011	104%	121%	88%	84%	118%	106%
2012	118%	142%	99%	86%	134%	119%
2013	121%	150%	105%	80%	142%	123%
2014	120%	156%	106%	79%	147%	122%
2015	117%	141%	106%	82%	121%	116%
2016	105%	121%	102%	93%	111%	105%
2017	102%	114%	101%	97%	98%	102%
2018	95%	103%	99%	101%	90%	95%
2019	100%	100%	100%	100%	100%	100%

Historical Rate on Line (Mandatory Coverage only)

Year	Limit($B)	Total
2009	17.175	6.3%
2010	17.000	6.6%
2011	17.000	6.7%
2012	17.000	7.4%
2013	17.000	7.4%
2014	17.000	7.5%
2015	17.000	7.2%
2016	17.000	6.7%
2017	17.000	6.6%
2018	17.000	6.5%
2019	17.000	7.1%

*Includes Inland Marine/Stand Alone & Other Contents Type Policies

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EXHIBIT

III

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Control Totals By Type

Type	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Commercial	147,990	2.1%	$156,590,097,051	$1,058,113	6.6%
Residential	4,525,822	65.0%	$2,039,332,026,649	$450,599	86.4%
Mobile Home	332,699	4.8%	$27,056,757,709	$81,325	1.1%
Tenants	1,072,602	15.4%	$29,383,506,469	$27,395	1.2%
Condominium Unit Owners	882,774	12.7%	$107,419,773,869	$121,684	4.6%
Total	6,961,887	100.0%	$2,359,782,161,747	$338,957	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Commercial Control Totals By Construction

Construction	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Frame	30,942	20.9%	$19,538,968,343	$631,471	12.5%
Masonry	105,845	71.5%	$77,340,378,039	$730,695	49.4%
Masonry with Reinforced Concrete Roof	6,311	4.3%	$17,356,782,351	$2,750,243	11.1%
Superior	835	0.6%	$6,219,453,248	$7,448,447	4.0%
Superior with Reinforced Concrete Roof	1,931	1.3%	$35,724,762,042	$18,500,654	22.8%
Masonry Veneer	95	0.1%	$51,394,478	$540,995	0.0%
Unknown/Non Mobile Home Default	2,031	1.4%	$358,358,550	$176,444	0.2%
Total	147,990	100.0%	$156,590,097,051	$1,058,113	100.0%

Florida Hurricane Catastrophe Fund
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2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Residential Control Totals By Construction

Construction	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Frame	987,289	21.8%	$415,076,672,358	$420,421	20.4%
Masonry	3,228,847	71.3%	$1,468,879,057,485	$454,924	72.0%
Masonry Veneer	282,336	6.2%	$148,367,973,043	$525,501	7.3%
Unknown/Non Mobile Home Default	27,350	0.6%	$7,008,323,763	$256,246	0.3%
Total	4,525,822	100.0%	$2,039,332,026,649	$450,599	100.0%

Trended Mobile Home Control Totals By Construction

Construction	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Mobile Home - Fully Tied Down, Mfg before 7/13/94	171,690	51.6%	$10,271,649,621	$59,827	38.0%
Mobile Home - Fully Tied Down, Mfg on or after 7/13/94	152,182	45.7%	$16,033,164,242	$105,355	59.3%
Mobile Home - Other Than Fully Tied Down or Unknown	8,827	2.7%	$751,943,846	$85,187	2.8%
Total	332,699	100.0%	$27,056,757,709	$81,325	100.0%

Florida Hurricane Catastrophe Fund
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2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Tenants Control Totals By Construction

Construction	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Frame	173,126	16.1%	$4,254,468,595	$24,574	14.5%
Masonry	212,094	19.8%	$7,161,856,133	$33,767	24.4%
Masonry with Reinforced Concrete Roof	750	0.1%	$115,217,602	$153,623	0.4%
Superior	7,907	0.7%	$401,047,277	$50,721	1.4%
Superior with Reinforced Concrete Roof	864	0.1%	$95,931,866	$111,032	0.3%
Masonry Veneer	17,945	1.7%	$625,412,009	$34,852	2.1%
Unknown/Non Mobile Home Default	659,916	61.5%	$16,729,572,987	$25,351	56.9%
Total	1,072,602	100.0%	$29,383,506,469	$27,395	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Condominium Unit Owners Control Totals By Construction

Construction	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
Frame	92,986	10.5%	$9,786,686,934	$105,249	9.1%
Masonry	497,643	56.4%	$50,398,430,742	$101,274	46.9%
Masonry with Reinforced Concrete Roof	78,537	8.9%	$12,428,959,304	$158,256	11.6%
Superior	73,125	8.3%	$10,939,501,649	$149,600	10.2%
Superior with Reinforced Concrete Roof	112,251	12.7%	$20,759,464,579	$184,938	19.3%
Masonry Veneer	7,406	0.8%	$839,658,820	$113,375	0.8%
Unknown/Non Mobile Home Default	20,826	2.4%	$2,267,071,841	$108,858	2.1%
Total	882,774	100.0%	$107,419,773,869	$121,684	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Commercial Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
CA ($0 to $2,500)	215	0.1%	$362,821,110	$1,687,540	0.2%
CB ($2,501 to $7,500)	98	0.1%	$43,712,583	$446,047	0.0%
CC ($7,501 to $15,000)	114	0.1%	$107,845,724	$946,015	0.1%
CD ($15,001 to $50,000)	300	0.2%	$191,503,003	$638,343	0.1%
C1 (1%)	9,253	6.3%	$8,843,773,729	$955,774	5.6%
C2 (2%)	26,852	18.1%	$36,297,344,870	$1,351,756	23.2%
C3 (3%)	60,379	40.8%	$64,140,940,298	$1,062,305	41.0%
C4 (4%)	22	0.0%	$323,433,878	$14,701,540	0.2%
C5 (5%)	31,378	21.2%	$29,314,936,143	$934,251	18.7%
C6 (6%)	336	0.2%	$370,482,681	$1,102,627	0.2%
C7 (7%)	3	0.0%	$33,804,432	$11,268,144	0.0%
C8 (8%)	0	0.0%	$0	$0	0.0%
C9 (9%)	8	0.0%	$5,450,400	$681,300	0.0%
C0 (10%)	19,032	12.9%	$16,554,048,200	$869,801	10.6%
Total	147,990	100.0%	$156,590,097,051	$1,058,113	100.0%

Florida Hurricane Catastrophe Fund
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2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Residential Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
RM ($0)	23,048	0.5%	$1,047,485,449	$45,448	0.1%
RA ($1 to $500)	158,905	3.5%	$58,380,266,394	$367,391	2.9%
RB ($501 to $1,500)	31,309	0.7%	$17,183,460,998	$548,835	0.8%
RC ($1,501 to $2,500)	3,290	0.1%	$1,162,546,217	$353,358	0.1%
RD (Greater Than $2,500)	3,205	0.1%	$2,382,457,927	$743,357	0.1%
R1 (1%)	19,694	0.4%	$11,868,735,101	$602,657	0.6%
R2 (2%)	3,902,952	86.2%	$1,756,032,170,692	$449,924	86.1%
R3 (3%)	33,364	0.7%	$12,725,017,505	$381,400	0.6%
R4 (4%)	3,166	0.1%	$2,178,294,289	$688,027	0.1%
R5 (5%)	307,892	6.8%	$148,933,010,459	$483,718	7.3%
R6 (6%)	1	0.0%	$3,675,360	$3,675,360	0.0%
R7 (7%)	2	0.0%	$5,966,114	$2,983,057	0.0%
R8 (8%)	47	0.0%	$40,332,029	$858,128	0.0%
R9 (9%)	0	0.0%	$0	$0	0.0%
R0 (10% to 14%)	37,666	0.8%	$24,800,880,937	$658,442	1.2%
RZ (15% or Greater)	1,281	0.0%	$2,587,727,178	$2,020,084	0.1%
Total	4,525,822	100.0%	$2,039,332,026,649	$450,599	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Mobile Home Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
MM ($0)	193	0.1%	$1,451,110	$7,519	0.0%
MA ($1 to $250)	1,243	0.4%	$14,300,995	$11,505	0.1%
MB ($251 to $500)	127,733	38.4%	$8,495,724,665	$66,512	31.4%
MC (Greater Than $500)	7,053	2.1%	$658,740,973	$93,399	2.4%
M1 (1%)	149	0.0%	$18,209,289	$122,210	0.1%
M2 (2%)	113,058	34.0%	$12,158,070,286	$107,538	44.9%
M3 (3%)	193	0.1%	$15,775,794	$81,740	0.1%
M4 (4%)	14	0.0%	$761,650	$54,404	0.0%
M5 (5%)	71,941	21.6%	$5,091,220,292	$70,769	18.8%
M6 (6%)	9	0.0%	$675,800	$75,089	0.0%
M7 (7%)	0	0.0%	$0	$0	0.0%
M8 (8%)	0	0.0%	$0	$0	0.0%
M9 (9%)	1	0.0%	$70,000	$70,000	0.0%
M0 (10% or Greater)	11,112	3.3%	$601,756,855	$54,154	2.2%
Total	332,699	100.0%	$27,056,757,709	$81,325	100.0%

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2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Trended Tenants Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
RM ($0)	232,263	21.7%	$5,907,575,551	$25,435	20.1%
RA ($1 to $500)	458,955	42.8%	$12,885,574,107	$28,076	43.9%
RB ($501 to $1,500)	280,155	26.1%	$6,640,020,121	$23,701	22.6%
RC ($1,501 to $2,500)	1,763	0.2%	$82,756,025	$46,940	0.3%
RD (Greater Than $2,500)	2,351	0.2%	$95,682,269	$40,699	0.3%
R1 (1%)	54	0.0%	$6,831,811	$126,515	0.0%
R2 (2%)	85,520	8.0%	$3,372,841,590	$39,439	11.5%
R3 (3%)	8	0.0%	$425,155	$53,144	0.0%
R4 (4%)	2	0.0%	$43,797	$21,899	0.0%
R5 (5%)	7,572	0.7%	$288,647,454	$38,120	1.0%
R6 (6%)	0	0.0%	$0	$0	0.0%
R7 (7%)	0	0.0%	$0	$0	0.0%
R8 (8%)	0	0.0%	$0	$0	0.0%
R9 (9%)	0	0.0%	$0	$0	0.0%
R0 (10% to 14%)	3,812	0.4%	$87,871,771	$23,051	0.3%
RZ (15% or Greater)	147	0.0%	$15,236,818	$103,652	0.1%
Total	1,072,602	100.0%	$29,383,506,469	$27,395	100.0%

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Trended Condominium Unit Owners Control Totals By Deductible Code

Deductible Code	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
RM ($0)	4,008	0.5%	$180,818,968	$45,115	0.2%
RA ($1 to $500)	246,482	27.9%	$18,846,875,776	$76,463	17.5%
RB ($501 to $1,500)	99,044	11.2%	$12,379,121,505	$124,986	11.5%
RC ($1,501 to $2,500)	15,107	1.7%	$2,350,997,318	$155,623	2.2%
RD (Greater Than $2,500)	3,067	0.3%	$877,830,730	$286,218	0.8%
R1 (1%)	340	0.0%	$84,668,215	$249,024	0.1%
R2 (2%)	448,954	50.9%	$61,594,176,370	$137,195	57.3%
R3 (3%)	617	0.1%	$131,117,973	$212,509	0.1%
R4 (4%)	195	0.0%	$33,202,043	$170,267	0.0%
R5 (5%)	51,607	5.8%	$8,718,715,276	$168,944	8.1%
R6 (6%)	0	0.0%	$0	$0	0.0%
R7 (7%)	0	0.0%	$0	$0	0.0%
R8 (8%)	33	0.0%	$6,252,212	$189,461	0.0%
R9 (9%)	2	0.0%	$967,412	$483,706	0.0%
R0 (10% to 14%)	12,433	1.4%	$1,651,422,020	$132,826	1.5%
RZ (15% or Greater)	885	0.1%	$563,608,051	$636,845	0.5%
Total	882,774	100.0%	$107,419,773,869	$121,684	100.0%

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Trended Exposures and Risks from Invalid ZIP Codes

	Invalid ZIP Code Data			Valid Zip Code Data		
Type	**Units**	**Exposure**	**Average**	**Units**	**Exposure**	**Average**
Commercial	1	$475,000	$475,000	147,989	156,589,622,051	$1,058,117
Residential	44	$17,387,761	$395,176	4,525,778	2,039,314,638,888	$450,600
Mobile Home	80	$3,909,609	$48,870	332,619	27,052,848,100	$81,333
Tenants	52	$935,922	$17,999	1,072,550	29,382,570,547	$27,395
Condo Owners	18	$1,015,353	$56,409	882,756	107,418,758,516	$121,686
Total	195	$23,723,645	$121,660	6,961,692	$2,359,758,438,102	$338,963

	All Data			% from Invalid ZIP Codes	
Type	**Units**	**Exposure**	**Average**	**Units**	**Exposure**
Commercial	147,990	$156,590,097,051	$1,058,113	0.00%	0.00%
Residential	4,525,822	$2,039,332,026,649	$450,599	0.00%	0.00%
Mobile Home	332,699	$27,056,757,709	$81,325	0.02%	0.01%
Tenants/Other	1,072,602	$29,383,506,469	$27,395	0.00%	0.00%
Condo Owners	882,774	$107,419,773,869	$121,684	0.00%	0.00%
Total	6,961,887	$2,359,782,161,747	$338,957	0.00%	0.00%

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	Exposures ($)				
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994	250,798,066,574	573,595,663,128	27,708,002,887	N/A	852,101,732,589
1995	72,259,223,184	647,611,806,441	27,471,321,323	N/A	747,342,350,948
1996	72,045,415,920	655,747,424,327	26,641,265,399	N/A	754,434,105,646
1997	67,060,941,081	665,706,907,693	27,603,802,377	N/A	760,371,651,151
1998	62,406,306,257	679,581,831,252	28,500,346,256	N/A	770,488,483,765
1999	62,310,422,803	707,168,630,617	29,321,225,365	N/A	798,800,278,785
2000	80,327,371,492	771,151,251,493	29,805,027,583	N/A	881,283,650,568
2001	95,903,685,545	795,830,648,826	30,336,699,432	N/A	922,071,033,803
2002	113,055,152,173	948,240,567,004	34,158,045,008	4,649,506,167	1,100,103,270,352
2003	122,711,546,221	1,027,400,432,961	34,109,501,584	8,307,577,221	1,192,529,057,987
2004	120,567,809,498	1,155,969,925,095	35,014,550,966	9,090,209,248	1,320,642,494,807
2005	125,518,806,067	1,354,455,492,240	36,309,216,467	10,602,304,913	1,526,885,819,687
2006	136,340,614,829	1,617,264,717,950	38,069,099,793	N/A	1,791,674,432,572
2007	186,827,864,101	1,798,433,070,223	37,500,069,047	N/A	2,022,761,003,371
2008	197,900,227,178	1,880,244,332,666	37,368,104,549	N/A	2,115,512,664,393
2009	212,460,681,802	1,917,016,979,268	36,761,961,986	N/A	2,166,239,623,056
2010	209,853,976,263	1,919,117,708,514	35,542,039,480	N/A	2,164,513,724,257
2011	203,072,396,562	1,880,455,711,002	33,837,366,975	N/A	2,117,365,474,539
2012	199,076,994,510	1,845,564,939,783	31,569,203,791	N/A	2,076,211,138,084
2013	197,362,838,239	1,798,241,215,417	28,539,351,997	N/A	2,024,143,405,653
2014	188,824,739,041	1,828,499,151,013	27,474,291,575	N/A	2,044,798,181,629
2015	170,243,010,515	1,865,931,881,566	25,877,523,024	N/A	2,062,052,415,105
2016	159,161,191,747	1,941,037,295,983	26,037,614,203	N/A	2,126,236,101,933
2017	153,185,395,027	1,998,591,420,465	26,396,443,087	N/A	2,178,173,258,579
2018	156,590,097,051	2,091,509,364,416	27,056,757,709	N/A	2,275,156,219,176

	Annual Change (%)** Exposures				
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994-1995	NA	12.9	(0.9)	N/A	N/A
1995-1996	(0.3)	1.3	(3.0)	N/A	0.9
1996-1997	(6.9)	1.5	3.6	N/A	0.8
1997-1998	(6.9)	2.1	3.2	N/A	1.3
1998-1999	(0.2)	4.1	2.9	N/A	3.7
1999-2000	28.9	9.0	1.7	N/A	10.3
2000-2001	19.4	3.2	1.8	N/A	4.6
2001-2002	17.9	19.2	12.6	N/A	19.3
2002-2003	8.5	8.3	(0.1)	78.7	8.4
2003-2004	(1.7)	12.5	2.7	9.4	10.7
2004-2005	4.1	17.2	3.7	16.6	15.6
2005-2006	8.6	19.4	4.8	N/A	17.3
2006-2007	37.0	11.2	(1.5)	N/A	12.9
2007-2008	5.9	4.5	(0.4)	N/A	4.6
2008-2009	7.4	2.0	(1.6)	N/A	2.4
2009-2010	(1.2)	0.1	(3.3)	N/A	(0.1)
2010-2011	(3.2)	(2.0)	(4.8)	N/A	(2.2)
2011-2012	(2.0)	(1.9)	(6.7)	N/A	(1.9)
2012-2013	(0.9)	(2.6)	(9.6)	N/A	(2.5)
2013-2014	(4.3)	1.7	(3.7)	N/A	1.0
2014-2015	(9.8)	2.0	(5.8)	N/A	0.8
2015-2016	(6.5)	4.0	0.6	N/A	3.1
2016-2017	(3.8)	3.0	1.4	N/A	2.4
2017-2018	2.2	4.6	2.5	N/A	4.5
Avg. 95-18	4.0	5.4	0.0	N/A	5.1

	Unit Counts				
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994	667,009	4,523,478	630,092	N/A	5,820,579
1995	217,433	4,662,527	629,593	N/A	5,509,553
1996	232,810	4,589,144	590,981	N/A	5,412,935
1997	199,267	4,722,716	601,167	N/A	5,523,150
1998	171,866	4,695,966	598,446	N/A	5,466,278
1999	132,195	4,627,958	607,162	N/A	5,367,315
2000	120,422	4,820,714	606,046	N/A	5,547,182
2001	167,961	4,877,216	593,148	N/A	5,638,325
2002	190,197	4,889,766	591,094	174,492	5,845,549
2003	179,954	4,885,715	577,547	348,037	5,991,253
2004	152,720	4,998,614	562,979	327,482	6,041,795
2005	145,657	5,229,215	544,433	336,976	6,256,281
2006	141,782	5,742,372	522,009	N/A	6,406,163
2007	193,852	5,768,968	490,926	N/A	6,453,746
2008	186,851	5,736,170	481,647	N/A	6,404,668
2009	195,884	5,757,481	468,744	N/A	6,422,109
2010	194,310	5,767,950	452,889	N/A	6,415,149
2011	193,114	5,784,513	434,355	N/A	6,411,982
2012	190,172	5,776,731	402,738	N/A	6,369,641
2013	187,504	5,794,914	377,877	N/A	6,360,295
2014	178,004	5,896,356	374,055	N/A	6,448,415
2015	165,116	5,998,865	344,350	N/A	6,508,331
2016	154,414	6,170,343	338,035	N/A	6,662,792
2017	210,470	6,331,735	334,307	N/A	6,876,512
2018	147,990	6,382,809	332,699	N/A	6,863,498

	Unit Counts				
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994-1995	NA	3.1	(0.1)	N/A	N/A
1995-1996	7.1	(1.6)	(6.1)	N/A	(1.8)
1996-1997	(14.4)	2.9	1.7	N/A	2.0
1997-1998	(13.8)	(0.6)	(0.5)	N/A	(1.0)
1998-1999	(23.1)	(1.4)	1.5	N/A	(1.8)
1999-2000	(8.9)	4.2	(0.2)	N/A	3.4
2000-2001	39.5	1.2	(2.1)	N/A	1.6
2001-2002	13.2	0.3	(0.3)	N/A	3.7
2002-2003	(5.4)	(0.1)	(2.3)	99.5	2.5
2003-2004	(15.1)	2.3	(2.5)	(5.9)	0.8
2004-2005	(4.6)	4.6	(3.3)	2.9	3.6
2005-2006	(2.7)	9.8	(4.1)	N/A	2.4
2006-2007	36.7	0.5	(6.0)	N/A	0.7
2007-2008	(3.6)	(0.6)	(1.9)	N/A	(0.8)
2008-2009	4.8	0.4	(2.7)	N/A	0.3
2009-2010	(0.8)	0.2	(3.4)	N/A	(0.1)
2010-2011	(0.6)	0.3	(4.1)	N/A	(0.0)
2011-2012	(1.5)	(0.1)	(7.3)	N/A	(0.7)
2012-2013	(1.4)	0.3	(6.2)	N/A	(0.1)
2013-2014	(5.1)	1.8	(1.0)	N/A	1.4
2014-2015	(7.2)	1.7	(7.9)	N/A	0.9
2015-2016	(6.5)	2.9	(1.8)	N/A	2.4
2016-2017	36.3	2.6	(1.1)	N/A	3.2
2017-2018	(29.7)	0.8	(0.5)	N/A	(0.2)
Avg. 95-18	(0.3)	1.4	(2.7)	N/A	1.0

	Averages ($)				
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994	376,004	126,804	43,975	N/A	146,395
1995	332,329	138,897	43,633	N/A	135,645
1996	309,460	142,891	45,080	N/A	139,376
1997	336,538	140,958	45,917	N/A	137,670
1998	363,110	144,716	47,624	N/A	140,953
1999	471,352	152,804	48,292	N/A	148,827
2000	667,049	159,966	49,179	N/A	158,871
2001	570,988	163,173	51,145	N/A	163,536
2002	594,411	193,924	57,788	26,646	188,195
2003	681,905	210,287	59,059	23,870	199,045
2004	789,470	231,258	62,195	27,758	218,584
2005	861,742	259,017	66,692	31,463	244,056
2006	961,621	281,637	72,928	N/A	279,680
2007	963,765	311,743	76,386	N/A	313,424
2008	1,059,134	327,787	77,584	N/A	330,308
2009	1,084,625	332,961	78,427	N/A	337,310
2010	1,079,996	332,721	78,478	N/A	337,407
2011	1,051,567	325,085	77,903	N/A	330,220
2012	1,046,826	319,483	78,386	N/A	325,954
2013	1,052,579	310,314	75,526	N/A	318,247
2014	1,060,789	310,107	73,450	N/A	317,101
2015	1,031,051	311,047	75,149	N/A	316,833
2016	1,030,743	314,575	77,026	N/A	319,121
2017	727,825	315,647	78,959	N/A	316,756
2018	1,058,113	327,679	81,325	N/A	331,486

	Averages				
	Commercial	Residential*	Mobile Home	Stand Alone I.M.**	Total
1994-1995	NA	9.5	(0.8)	N/A	N/A
1995-1996	(6.9)	2.9	3.3	N/A	2.8
1996-1997	8.8	(1.4)	1.9	N/A	(1.2)
1997-1998	7.9	2.7	3.7	N/A	2.4
1998-1999	29.8	5.6	1.4	N/A	5.6
1999-2000	41.5	4.7	1.8	N/A	6.7
2000-2001	(14.4)	2.0	4.0	N/A	2.9
2001-2002	4.1	18.8	13.0	N/A	15.1
2002-2003	14.7	8.4	2.2	(10.4)	5.8
2003-2004	15.8	10.0	5.3	16.3	9.8
2004-2005	9.2	12.0	7.2	13.3	11.7
2005-2006	11.6	8.7	9.4	N/A	14.6
2006-2007	0.2	10.7	4.7	N/A	12.1
2007-2008	9.9	5.1	1.6	N/A	5.4
2008-2009	2.4	1.6	1.1	N/A	2.1
2009-2010	(0.4)	(0.1)	0.1	N/A	0.0
2010-2011	(2.6)	(2.3)	(0.7)	N/A	(2.1)
2011-2012	(0.5)	(1.7)	0.6	N/A	(1.3)
2012-2013	0.5	(2.9)	(3.6)	N/A	(2.4)
2013-2014	0.8	(0.1)	(2.7)	N/A	(0.4)
2014-2015	(2.8)	0.3	2.3	N/A	(0.1)
2015-2016	(0.0)	1.1	2.5	N/A	0.7
2016-2017	(29.4)	0.3	2.5	N/A	(0.7)
2017-2018	45.4	3.8	3.0	N/A	4.7
Avg. 95-18	6.3	3.9	2.8	N/A	4.1

* Includes Residential, Tenants, and Condominium Unit Owner policies.
**2002 was the first year Stand Alone Inland Marine data was reported. Stand Alone Inland Marine was defined as inland marine policies not associated with the policy that covers the main building/structure.
In 2003, it was referred to as "Stand Alone/Contents Type Policies" and also included scheduled personal property written under attachments, endorsements, and riders.
In 2004, it was referred to as "Other Contents Policies or Endorsements."
In 2006, it was removed.

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Commercial Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
YEAR BUILT					
Unknown	1,723	1.2%	$463,361,205	$268,927	0.3%
1994 or Earlier	103,185	69.7%	$92,385,614,460	$895,340	59.0%
1995-2001	13,964	9.4%	$16,729,685,876	$1,198,058	10.7%
2002-2011	24,310	16.4%	$38,331,137,768	$1,576,764	24.5%
2012 or Later	4,808	3.2%	$8,680,297,742	$1,805,386	5.5%
TOTAL	147,990	100.0%	$156,590,097,051	$1,058,113	100.0%
STRUCTURE OPENING PROTECTION					
No Credit is Given to Policyholder	134,640	91.0%	$122,188,523,532	$907,520	78.0%
Credit is Given to Policyholder	13,350	9.0%	$34,401,573,519	$2,576,897	22.0%
TOTAL	147,990	100.0%	$156,590,097,051	$1,058,113	100.0%
ROOF SHAPE					
Hip, Mansard, or Pyramid	48,217	32.6%	$38,571,619,672	$799,959	24.6%
Gable, Other, or Unknown	99,773	67.4%	$118,018,477,379	$1,182,870	75.4%
TOTAL	147,990	100.0%	$156,590,097,051	$1,058,113	100.0%

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Residential Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
YEAR BUILT					
Unknown	7,718	0.2%	$1,672,624,631	$216,717	0.1%
1994 or Earlier	2,535,583	56.0%	$948,540,212,457	$374,092	46.5%
1995-2001	621,378	13.7%	$322,793,280,147	$519,480	15.8%
2002-2011	945,248	20.9%	$511,333,454,277	$540,952	25.1%
2012 or Later	415,895	9.2%	$254,992,455,137	$613,117	12.5%
TOTAL	4,525,822	100.0%	$2,039,332,026,649	$450,599	100.0%
STRUCTURE OPENING PROTECTION					
No Credit is Given to Policyholder	3,735,873	82.5%	$1,546,404,210,495	$413,934	75.8%
Credit is Given to Policyholder	789,949	17.5%	$492,927,816,154	$624,000	24.2%
TOTAL	4,525,822	100.0%	$2,039,332,026,649	$450,599	100.0%
ROOF SHAPE					
Hip, Mansard, or Pyramid	1,457,704	32.2%	$816,078,750,668	$559,838	40.0%
Gable, Other, or Unknown	3,068,118	67.8%	$1,223,253,275,981	$398,698	60.0%
TOTAL	4,525,822	100.0%	$2,039,332,026,649	$450,599	100.0%

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Mobile Home Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
YEAR BUILT					
Unknown or Mobile Home	332,699	100.0%	$27,056,757,709	$81,325	100.0%
1994 or Earlier	0	0.0%	$0	$0	0.0%
1995-2001	0	0.0%	$0	$0	0.0%
2002 or Later	0	0.0%	$0	$0	0.0%
TOTAL	332,699	100.0%	$27,056,757,709	$81,325	100.0%
STRUCTURE OPENING PROTECTION					
No Credit is Given to Policyholder	332,683	100.0%	$27,055,943,432	$81,326	100.0%
Credit is Given to Policyholder	16	0.0%	$814,277	$0	0.0%
TOTAL	332,699	100.0%	$27,056,757,709	$81,325	100.0%
ROOF SHAPE					
Hip, Mansard, or Pyramid	28	0.0%	$444,751	$15,884	0.0%
Gable, Other, or Unknown	332,671	100.0%	$27,056,312,958	$81,331	100.0%
TOTAL	332,699	100.0%	$27,056,757,709	$81,325	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Tenants Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
YEAR BUILT					
Unknown	456,274	42.5%	$9,992,725,686	$21,901	34.0%
1994 or Earlier	264,161	24.6%	$7,925,409,915	$30,002	27.0%
1995-2001	91,501	8.5%	$2,930,004,957	$32,022	10.0%
2002-2011	139,191	13.0%	$5,005,936,713	$35,965	17.0%
2012 or Later	121,475	11.3%	$3,529,429,198	$29,055	12.0%
TOTAL	1,072,602	100.0%	$29,383,506,469	$27,395	100.0%
STRUCTURE OPENING PROTECTION					
No Credit is Given to Policyholder	1,063,648	99.2%	$28,729,303,016	$27,010	97.8%
Credit is Given to Policyholder	8,954	0.8%	$654,203,453	$73,063	2.2%
TOTAL	1,072,602	100.0%	$29,383,506,469	$27,395	100.0%
ROOF SHAPE					
Hip, Mansard, or Pyramid	69,371	6.5%	$2,334,745,068	$33,656	7.9%
Gable, Other, or Unknown	1,003,231	93.5%	$27,048,761,401	$26,962	92.1%
TOTAL	1,072,602	100.0%	$29,383,506,469	$27,395	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 Reported Exposures as of 10/29/18 (Trended to 6/30/19)

Condominium Unit Owners Totals By Mitigation Features

Mitigation Feature	Units	Percent of Units	Primary Exposure	Average Exposure	Percent of Exposure
YEAR BUILT					
Unknown	4,154	0.5%	$375,662,824	$90,434	0.3%
1994 or Earlier	580,898	65.8%	$56,090,324,168	$96,558	52.2%
1995-2001	92,623	10.5%	$14,635,201,830	$158,008	13.6%
2002-2011	174,889	19.8%	$28,980,306,024	$165,707	27.0%
2012 or Later	30,210	3.4%	$7,338,279,023	$242,909	6.8%
TOTAL	882,774	100.0%	$107,419,773,869	$121,684	100.0%
STRUCTURE OPENING PROTECTION					
No Credit is Given to Policyholder	752,663	85.3%	$75,691,353,976	$100,565	70.5%
Credit is Given to Policyholder	130,111	14.7%	$31,728,419,893	$243,857	29.5%
TOTAL	882,774	100.0%	$107,419,773,869	$121,684	100.0%
ROOF SHAPE					
Hip, Mansard, or Pyramid	121,155	13.7%	$17,109,219,852	$141,218	15.9%
Gable, Other, or Unknown	761,619	86.3%	$90,310,554,017	$118,577	84.1%
TOTAL	882,774	100.0%	$107,419,773,869	$121,684	100.0%

EXHIBIT

IV

Florida Hurricane Catastrophe Fund
2019 Calculation of Layer of Coverage
Using 2018 FHCF Premium and Exposure Data as of 10/29/2018

Type of Business	Coverage Option	Total Insured Risks	Total Exposure	Gross FHCF Premium	Net FHCF Premium	Net FHCF Prem at 100%
Section I						
1	45%	95,549	96,995,601,910	40,949,477	44,510,652	98,912,559
1	75%	0	0	0	0	0
1	90%	52,441	59,594,495,141	49,280,728	43,470,585	48,300,650
2	45%	1,210,662	624,205,704,624	194,473,539	182,589,743	405,754,985
2	75%	204,405	99,314,524,934	54,957,623	48,389,812	64,519,750
2	90%	3,072,954	1,237,430,453,665	656,040,821	657,760,089	730,844,544
3	45%	8,351	532,507,310	535,868	535,868	1,190,818
3	75%	33	553,850	1,090	1,090	1,453
3	90%	324,315	26,523,696,549	44,039,318	44,039,318	48,932,575
4	45%	249,645	8,014,202,832	1,132,734	1,095,253	2,433,896
4	75%	5,116	144,655,745	56,532	54,062	72,082
4	90%	773,331	20,095,428,637	7,508,601	7,359,150	8,176,833
6	45%	150,199	21,910,718,302	9,919,776	8,538,627	18,974,727
6	75%	67,454	5,508,672,524	3,757,414	4,715,218	6,286,958
6	90%	649,043	74,885,003,153	60,719,545	59,861,268	66,512,520
Section II						
1	45%		0	0	0	0
1	75%		0	0	0	0
1	90%		0	0	0	0
Section I Totals						
1	xx	147,990	156,590,097,051	90,230,205	87,981,236	147,213,209
2	xx	4,488,021	1,960,950,683,223	905,471,983	888,739,645	1,201,119,278
3	xx	332,699	27,056,757,709	44,576,276	44,576,276	50,124,846
4	xx	1,028,092	28,254,287,214	8,697,867	8,508,465	10,682,811
6	xx	866,696	102,304,393,979	74,396,736	73,115,114	91,774,205
xx	45%	1,714,406	751,658,734,978	247,011,394	237,270,143	527,266,985
xx	75%	277,008	104,968,407,053	58,772,659	53,160,182	70,880,243
xx	90%	4,872,084	1,418,529,077,145	817,589,013	812,490,410	902,767,122
Section I Total		6,863,498	2,275,156,219,176	1,123,373,066	1,102,920,735	1,500,914,349
Section II Total*		0	0	0	0	0
Grand Total		6,863,498	2,275,156,219,176	1,123,373,066	1,102,920,735	1,500,914,349

* We last had a very small amount of Section II exposure in 2002.

Weighted Average Coverage Multiples - Section I Only

		Risks	Exposure	For Exh II Ratemaking Premium
1	Commercial	0.60946	0.62126	0.59764
2	Residential	0.77178	0.74916	0.73993
3	Mobile Home	0.88869	0.89114	0.88930
4	Tenants	0.78998	0.77159	0.79646
6	Condos	0.81034	0.79555	0.79668
	Total	0.78154	0.74441	0.73483

Weighted Average Coverage Multiple - Sections I and II

	Risks	Exposure	Premium
Total	0.78154	0.74441	**0.73483**

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

Florida Hurricane Catastrophe Fund
2019 Calculation of Layer of Coverage
Using 2018 FHCF Premium and Exposure Data as of 10/29/2018
Based on HB 301 10% LAE

1. Calculate Section I and II Retention

Historical Exposure

		Data as of 10/29/2018	Estimate of Missing Data	Total
2004	Total	1,320,642,494,807	-	1,320,642,494,807
2017	Total	2,178,173,258,579	-	2,178,173,258,579

Growth in exposure, 2004 to 2017	64.933%		[1a]
Base FHCF Retention	4,500,000,000		[1b]
2018 Retention (Actual, based on premiums paid)	7,177,627,072		
2019 Target Retention	7,421,978,092	Change 2018 to 2019	[1c]=(1+[1a])x[1b]
2019 Selected Retention	7,422,000,000	3.40%	[1d]=[1c], rnd'd to $M

2. Allocate Retention to Sections I and II

2018 Net Full Coverage FHCF Premium (ie at 100%)				
	Section I	1,500,914,349	100.000%	[2a]
	Section II	-	0.000%	[2b]
	Total	1,500,914,349	100.000%	[2c]=[2a]+[2b]

Note: Allocate Retention based on ***full coverage*** *premium, which is the best indicator of expected ground-up losses*

2019 Selected Retention (using full coverage FHCF premium for weighting)				
	Section I	7,422,000,000	100.000%	[2d]
	Section II	-	0.000%	[2e]
	Total	7,422,000,000	100.000%	[2f]=[2d]+[2e]

3. Calculate FHCF Limit

Estimated Claims Paying Capacity Average $22,000,000,000 [3a]
Source: Raymond James: FHCF Estimated Claims Paying Capacity, Oct. 9, 2018 Page 13

Dollar growth in cash balance over prior calendar year				
Cash Balance @12/31/2017	$ 12,900,000,000			[3b]
Est Cash Balance @ 12/31/2018	$ 11,000,000,000			[3c}
Change in Cash Balance	$ (1,900,000,000)			[3d]=[3c]-[3b]
2018 Statutory Maximum Coverage Limit		17,000,000,000		[3e]=[3g prior year]
2019 Statutory Coverage Limit Prior to Change in Cash Balance Limit		17,000,000,000		[3f]=17Billion + .5*(max(3a-$34 billio
2019 Statutory Coverage Limit		$ 17,000,000,000	0.00%	[3g]=[3e]+min([3f]-[3e],max([3d],0))

Paragon Strategic Solutions Inc.
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Florida Hurricane Catastrophe Fund
2019 Calculation of Layer of Coverage
Using 2018 FHCF Premium and Exposure Data as of 10/29/2018
Based on HB 301 10% LAE

4. Allocate Limit to Sections I and II

Total FHCF Capacity		17,000,000,000		[4a]
	Pure Loss	15,454,545,455		[4b] = [4a]/1.10
	Loss Adjustment Expenses	1,545,454,545		[4c] = [4a] - [4b]
Actual Coverage FHCF Premium				
	Section I	1,102,920,735	100.000%	[4d]
	Section II	-	0.000%	[4e]
	Total	1,102,920,735	100.000%	[4f]=[4d]+[4e]

Note: Allocate Limit based on ***actual*** *premium, which is the best indicator of expected FHCF losses.*

Sections I and II Limit Allocations

	Pure loss	LAE	Total
Section I	15,454,545,455	1,545,454,545	17,000,000,000
Section II	-	-	-
Total	15,454,545,455	1,545,454,545	17,000,000,000

5. FHCF Layer Structure for Sections I and II

Section I

	Based on 2018 Selections	Based on 2019 Selections	
Retention	7,422,000,000	7,422,000,000	[5a] = [2d]
Pure Loss Limit Available	15,454,545,455	15,454,545,455	[5b] from Part 3
Total Limit Available	17,000,000,000	17,000,000,000	[5c] from Part 3
Wtd Average Coverage	73.483%	81.629%	[5d]
Top of Loss Layer	28,453,383,581	26,354,706,772	[5e]=[5a]+[5b]/[5d]

Layer used for modeled losses: 81.629% of $18,932,706,772 xs $7,422,000,000
(Modeled losses are Section I losses only, no LAE)

Sections I and II

	2018 Selections	2019 Selections	
Retention	7,422,000,000	7,422,000,000	[5f] = [2f]
Pure Loss Limit Available	15,454,545,455	15,454,545,455	[5g] from Part 3
Total Limit Available	17,000,000,000	17,000,000,000	[5h] from Part 3
Wtd Average Coverage	73.483%	81.629%	[5i]
Top of Loss Layer	28,453,383,581	26,354,706,772	[5j]=[5f]+[5g]/[5i]

Layer used for FHCF publications:
Loss only: 81.629% of $18,932,706,772 xs $7,422,000,000
Loss + LAE: 81.629% of $20,825,977,449 xs $7,422,000,000

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

EXHIBIT

V

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Modeled Adjusted Loss Severity Distributions

Summary

	Size of Event(s)	Probability	Return Time (Years)	5 Year Probability	10 Year Probability
Single Event					
Attach industry retention	$7,422,000,000	10.10%	9.9	41.27%	65.50%
Attach FHCF Projected Reinsurance	$10,500,000,000	3.84%	26.0	17.80%	32.42%
Exhaust FHCF Projected Reinsurance	$11,500,000,000	3.57%	28.0	16.64%	30.50%
ExhaustFHCF Projected Cash Balance and Reinsurance	$13,425,403,982	3.13%	32.0	14.68%	27.21%
Exhaust FHCF Projected Cash Balance, Reins. and Pre-Event Notes	$15,075,403,982	2.81%	35.6	13.26%	24.76%
Exhaust Estimated Claims Paying Capacity	$17,000,000,000	2.48%	40.2	11.82%	22.24%
Exhaust FHCF limit	$17,000,000,000	2.48%	40.2	11.82%	22.24%
Annual Aggregate					
Attach FHCF Projected Reinsurance	$10,500,000,000	3.90%	25.6	18.06%	32.85%
Exhaust FHCF Projected Reinsurance	$11,500,000,000	3.65%	27.4	16.95%	31.02%
ExhaustFHCF Projected Cash Balance and Reinsurance	$13,425,403,982	3.19%	31.4	14.96%	27.68%
Exhaust FHCF Projected Cash Balance, Reins. and Pre-Event Notes	$15,075,403,982	2.86%	35.0	13.49%	25.17%
Exhaust Estimated Claims Paying Capacity	$17,000,000,000	2.56%	39.1	12.15%	22.83%
Exhaust FHCF limit	$17,000,000,000	2.56%	39.1	12.15%	22.83%

Expected Annual Losses

Adjusted Gross losses at 100% coverage	$3,239,793,238
Loss to Mandatory FHCF layer, at actual coverage	
Loss only	$784,753,696
Loss + LAE	$863,229,066

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Modeled Adjusted Loss Severity Distributions

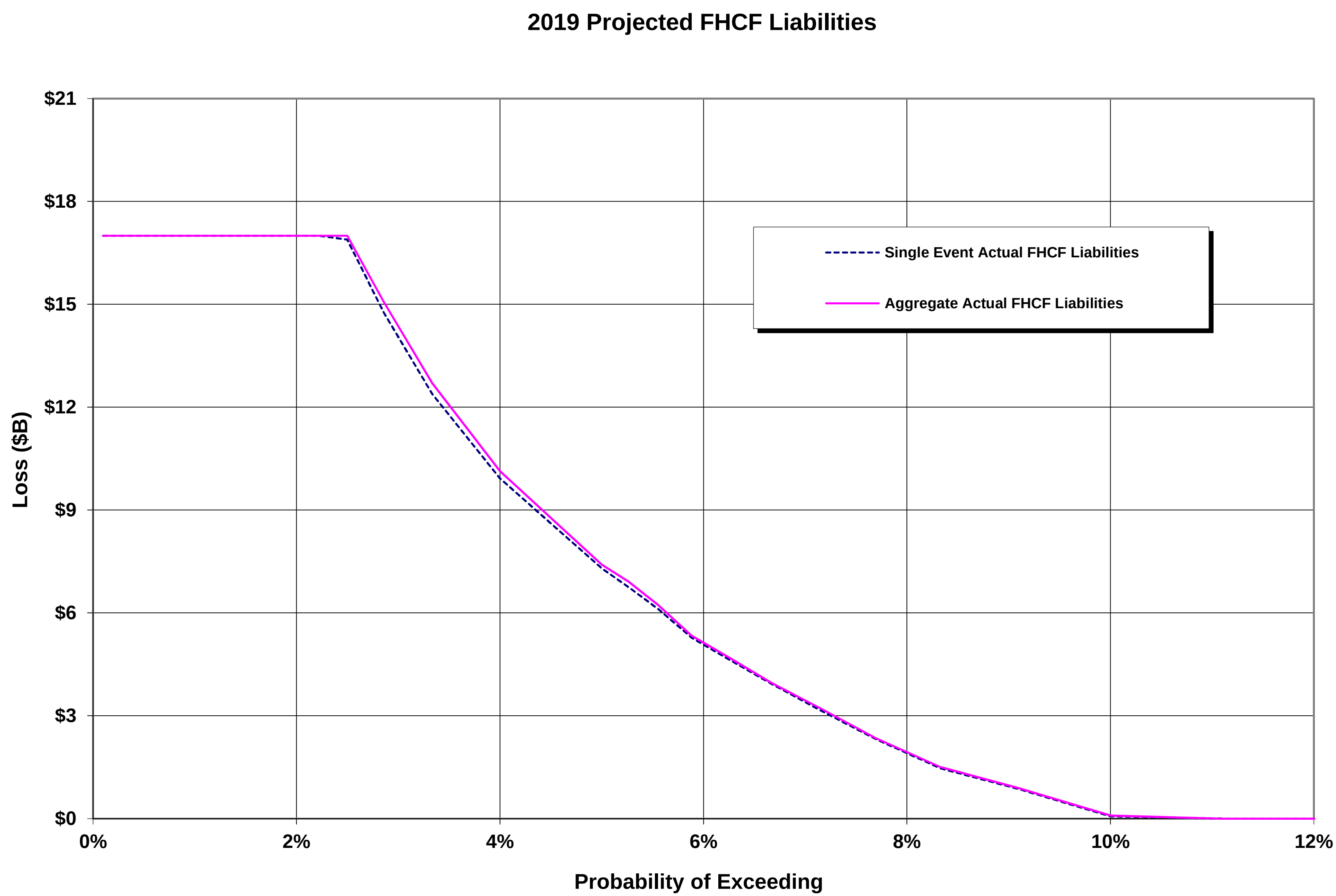
Traditional FHCF Only Layer

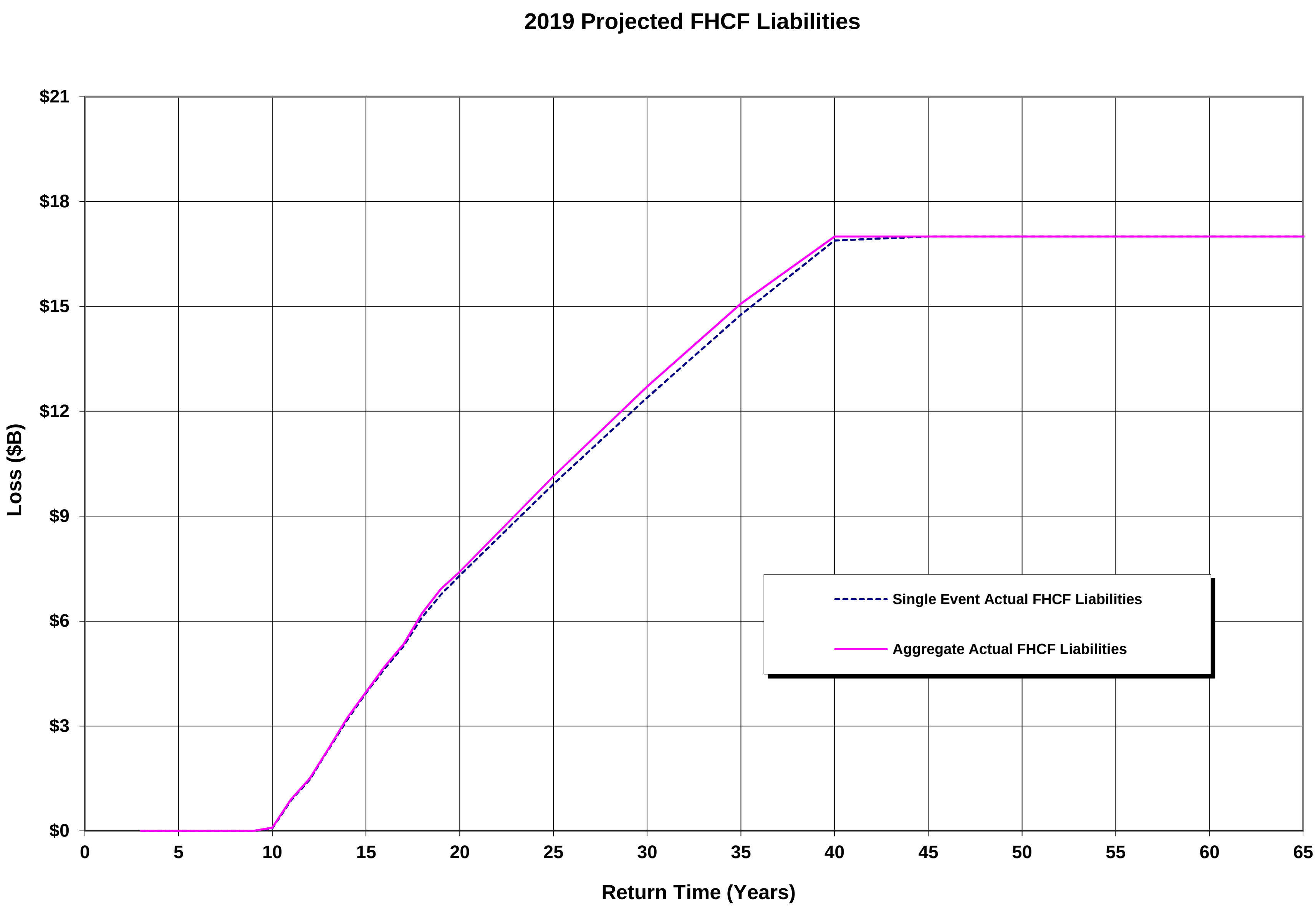
Return Time	Probability of Exceedance	Uniform Weighted Section I Gross Per Event (100% Coverage, no LAE)	FHCF Layer Weighted Section I Gross Per Event (100% Coverage, no LAE)	Section I Excess Retention Aggregate (100% Coverage, no LAE)	Single Event FHCF Layer Liabilities	Aggregate FHCF Layer Liabilities
1000	0.0010	$115,215,870,491	$117,870,379,794	$114,004,008,019	$17,000,000,000	$17,000,000,000
900	0.0011	$112,002,326,016	$113,391,522,964	$108,563,070,980	$17,000,000,000	$17,000,000,000
800	0.0013	$108,622,488,054	$110,386,002,962	$104,440,869,568	$17,000,000,000	$17,000,000,000
700	0.0014	$103,186,707,290	$104,933,193,441	$100,291,233,077	$17,000,000,000	$17,000,000,000
600	0.0017	$99,987,044,524	$99,987,044,524	$93,680,275,248	$17,000,000,000	$17,000,000,000
500	0.0020	$94,063,260,972	$93,691,774,186	$87,792,052,490	$17,000,000,000	$17,000,000,000
400	0.0025	$86,984,966,891	$85,639,514,732	$80,683,935,318	$17,000,000,000	$17,000,000,000
300	0.0033	$77,750,422,023	$75,375,397,228	$69,618,589,857	$17,000,000,000	$17,000,000,000
250	0.0040	$72,911,984,197	$69,091,486,200	$63,485,031,782	$17,000,000,000	$17,000,000,000
200	0.0050	$66,289,543,932	$63,288,009,862	$57,160,157,588	$17,000,000,000	$17,000,000,000
150	0.0067	$58,859,145,460	$55,725,991,458	$49,210,707,391	$17,000,000,000	$17,000,000,000
100	0.0100	$48,734,916,446	$45,419,501,151	$38,912,874,387	$17,000,000,000	$17,000,000,000
90	0.0111	$45,884,398,906	$42,698,289,116	$36,471,255,550	$17,000,000,000	$17,000,000,000
80	0.0125	$42,718,504,980	$40,259,285,779	$33,783,149,893	$17,000,000,000	$17,000,000,000
70	0.0143	$39,803,417,693	$37,257,367,632	$30,587,227,540	$17,000,000,000	$17,000,000,000
65	0.0154	$37,961,121,732	$35,988,797,059	$29,103,216,112	$17,000,000,000	$17,000,000,000
60	0.0167	$36,364,977,177	$34,106,496,601	$27,436,270,439	$17,000,000,000	$17,000,000,000
55	0.0182	$34,454,521,002	$32,212,214,812	$25,447,697,346	$17,000,000,000	$17,000,000,000
50	0.0200	$32,411,685,643	$30,235,987,765	$23,563,095,713	$17,000,000,000	$17,000,000,000
45	0.0222	$30,164,303,364	$28,451,480,964	$21,420,703,046	$17,000,000,000	$17,000,000,000
40	0.0250	$27,915,013,527	$26,231,087,081	$19,349,136,649	$16,888,999,772	$17,000,000,000
35	0.0286	$25,285,914,744	$23,866,619,413	$16,791,662,424	$14,765,903,966	$15,077,519,800
30	0.0333	$22,575,818,457	$21,220,308,594	$14,148,170,814	$12,389,736,392	$12,703,883,641
25	0.0400	$19,564,199,878	$18,469,673,352	$11,285,074,732	$9,919,894,141	$10,133,060,886
20	0.0500	$16,340,538,322	$15,554,855,623	$8,254,010,171	$7,302,629,637	$7,411,416,371
19	0.0526	$15,592,687,610	$14,947,689,395	$7,703,925,053	$6,757,444,736	$6,917,485,570
18	0.0556	$14,903,086,062	$14,226,693,602	$6,933,459,520	$6,110,050,328	$6,225,671,440
17	0.0588	$14,130,007,849	$13,299,416,279	$5,946,786,259	$5,277,432,220	$5,339,720,708
16	0.0625	$13,271,230,997	$12,594,282,051	$5,239,774,580	$4,644,280,183	$4,704,882,874
15	0.0667	$12,431,873,760	$11,809,361,805	$4,415,013,035	$3,939,486,920	$3,964,315,430
14	0.0714	$11,567,439,752	$10,953,531,438	$3,596,978,845	$3,171,022,251	$3,229,788,593
13	0.0769	$10,682,701,507	$10,013,200,633	$2,617,464,837	$2,326,683,199	$2,350,266,275
12	0.0833	$9,702,643,083	$9,048,012,126	$1,667,096,317	$1,460,023,993	$1,496,914,189
11	0.0909	$8,769,675,811	$8,390,223,862	$996,427,762	$869,384,703	$894,709,466
10	0.1000	$7,871,349,492	$7,495,261,066	$100,359,194	$65,782,359	$90,114,230
9	0.1111	$6,850,230,218	$6,647,472,106	$0	$0	$0
8	0.1250	$5,920,663,158	$5,825,366,781	$0	$0	$0
7	0.1429	$4,878,042,065	$4,922,408,323	$0	$0	$0
6	0.1667	$3,712,332,233	$3,788,666,824	$0	$0	$0
5	0.2000	$2,530,804,325	$2,569,342,102	$0	$0	$0
4	0.2500	$1,454,794,922	$1,544,917,759	$0	$0	$0
3	0.3333	$531,487,799	$575,503,008	$0	$0	$0

Notes:

Aggregate FHCF Liabilities include Sections I, II and LAE, and are at weighted average coverage.

2019 severity distributions based on AIR, EQE, RMS, ARA and FPM models.


2019 Projected FHCF Liabilities
Loss ($B)
$21
$18
$15
$12
$9
$6
$3
$0
0%
2%
4%
6%
8%
10%
12%
Probability of Exceeding
Single Event Actual FHCF Liabilities
Aggregate Actual FHCF Liabilities


2019 Projected FHCF Liabilities
$21
$18
$15
$12
$9
$6
$3
$0
Loss ($B)
0
5
10
15
20
25
30
35
40
45
50
55
60
65
Return Time (Years)
Single Event Actual FHCF Liabilities
Aggregate Actual FHCF Liabilities

EXHIBIT

VI

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Allocation of Excess Losses to Type of Business at Coverage Level

		Evaluated	Residential	Tenants	Condos	Mobile Home	Commercial	Total
(1)	Coverage Selection by Type of Business	10/29/2018	73.993%	79.646%	79.668%	88.930%	59.764%	73.483%
(2)	Coverage Selection by Type of Business	03/01/2019	80.669%	79.851%	82.779%	89.607%	86.159%	81.629%
(3)	Allocation of XS Loss Using 100% Adjusted Gross Losses		80.19%	0.64%	6.25%	3.27%	9.65%	100.00%
(4)	Allocation of XS Loss at Coverage Level (2) x (3)		64.69%	0.51%	5.18%	2.93%	8.32%	81.63%
(5)	Allocation of XS Loss at Cov. Level to Type of Business (4)/Total(4)		79.24%	0.62%	6.34%	3.59%	10.19%	99.99%
(6)	Balance Adjustment to Allocation (5)/Total (5)		79.26%	0.62%	6.34%	3.59%	10.19%	100.00%
(7)	Selected Allocation of XS Loss at Coverage Level for Ratemaking		80.97%	0.72%	6.48%	3.66%	8.16%	100.00%
(8)	Rate Change by Type of Business		5.11%	-2.60%	1.29%	-1.37%	11.34%	4.88%

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

EXHIBIT

VII

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Law and Ordinance Adjustment Factors

FHCF Premium as a Percentage of Base Premium

Distribution of Premium	Expenses	Liability	Non-hurr. Property	Hurricane Outside FHCF Layer	Hurricane Within FHCF Layer [*]	Total
Commercial Habitational	30%	10%	10%	33%	17%	100%
Residential	30%	10%	10%	33%	17%	100%
Mobile Home	30%	10%	10%	33%	17%	100%
Tenants	30%	10%	10%	33%	17%	100%
Condo-Owners	30%	10%	10%	33%	17%	100%

% of Law and Ordinance Premium Applicable to FHCF Layer

	Expenses	Liability	Non-hurr. Property	Hurricane Outside FHCF Layer	Hurricane Within FHCF Layer [**]	Total
Commercial Habitational	0%	0%	10%	60%	30%	100%
Residential	0%	0%	10%	60%	30%	100%
Mobile Home	0%	0%	10%	60%	30%	100%
Tenants	0%	0%	10%	60%	30%	100%
Condo-Owners	0%	0%	10%	60%	30%	100%

Selections for 2019 Ratemaking

Type of Business	% of Base Premium for Law and Ordinance Coverage [1] Insurer Survey	% of Law and Ordinance Premium Applicable to FHCF Layer [2] = [**]	FHCF Premium as a Percentage of Base Premium [3] = [*]	Law and Ordinance Premium as a Percentage of Base Premium [4] = [1] x [2]/[3]	Percent of Policies with Coverage [5] Insurer Survey	Implied Law and Ordinance Adjustment Factors [6] = [4] x [5]	Selected Law and Ordinance Adjustment Factors [7]
Commercial Habitational	6.50%	30.00%	16.67%	11.70%	5%	0.59%	0.00%
Residential	3.00%	30.00%	16.67%	5.40%	95%	5.13%	4.86%
Mobile Home	0.00%	30.00%	16.67%	0.00%	0%	0.00%	0.00%
Tenants	0.00%	30.00%	16.67%	0.00%	50%	0.00%	0.00%
Condo-Owners	0.00%	30.00%	16.67%	0.00%	65%	0.00%	0.00%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Wind Deductible Adjustment Factor

Calculation of Loading Factor to Adjust Modeled Losses for the Impact of Aggregate Wind Deductibles

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Type of Business	**Per Event Deductibles**	**Annual Wind Deductible + AOP Deductible**	**Ratio**	**Implied Load**	**Take-up Rate**	**2019 Adjusted Load**	**2018 Adjusted Load**	**2018/2019 Weighted Load**	**2019 Selected Load**
Commercial Residential	334,509,143	335,982,277	1.00440	0.440%	50%	0.220%	0.210%	0.217%	0.220%
Residential	2,739,647,702	2,752,307,672	1.00462	0.462%	100%	0.462%	0.471%	0.465%	0.460%
Mobile Home	161,619,207	162,365,677	1.00462	0.462%	100%	0.462%	0.454%	0.459%	0.460%
Tenants	32,460,649	32,476,886	1.00050	0.050%	100%	0.050%	0.052%	0.051%	0.050%
Condo	229,486,725	229,780,559	1.00128	0.128%	100%	0.128%	0.126%	0.127%	0.130%
Total	3,497,723,426	3,512,913,071	1.00434						

Notes:
AIR Deliverable 2 is per event, AIR Deliverable 5 is aggregate
(1) Based on AIR study (Deliverable 2) completed in 2019
(2) Based on AIR study (Deliverable 5) completed in 2019
(3) = (2) / (1)
(4) = (3) - 1
(5) Judgmentally Selected
(6) = (4) * (5)
(7) Indication in 2018
(8) = (6)*2/3+(7)*1/3

EXHIBIT

VIII

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
AIR and RMS 2019 Retention Limit Analyses: Adjustment to Expected FHCF Layer Losses
Coverage Selections as of 03/01/2019

		2019 (WTD)	RMS Adjusted Aggregate Run	AIR Adjusted Aggregate Run	Average RMS AIR Adjusted Aggregate Runs	RMS/WTD	AIR/WTD	AVE/WTD	
1	Wtd Ave. Expected Gross Loss Adjusted	3,239,793,238	3,253,814,462	3,239,791,086	3,246,802,774	100.433%	100.000%	100.216%	2019 Ex. 2 (7)
2	Expected FHCF Wtd Ave.Aggregate Layer Loss and LAE at Coverage Level	863,229,066	848,701,505	822,891,589	835,796,547	98.317%	95.327%	96.822%	2019 Ex. 2 (10)
2a	Expected FHCF RMS Aggregate Layer Loss and LAE at Coverage Level Using Company Limits, Retentions		864,325,960	799,586,631	831,956,296				
3	Model Adjustment Factor		1.018409835	0.971679189	0.995405280				(2a)/(2)
4	Indicated Adjustment Factor		1.841%	-2.832%	-0.4595%	(3)-1.00			Weights 67%
5	Prior Selected Factor (2018)				0.2987%				33%
6	Current Year Selected Factor Weighted (2/3 Indicated , 1/3 Prior)				-0.2068%				2019 Ex. 2 (15)

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Retention and Limit Adjustment Factor Calculation History

Year	Indicated	Selected	Modeler Data	
2013	-1.9000%	-0.7347%	ARA	
2014	0.3103%	-0.0371%	RMS	
2015	0.3103%	-0.0371%	RMS (prior year , no update)	
2016	0.0298%	0.0075%	AIR,RMS run by Paragon	
2017	0.8549%	0.5724%	AIR,RMS run by Paragon	0.5724%
2018	0.1618%	0.2987%	AIR,RMS run by Paragon	0.2987%
2019	-0.3910%	-0.1611%	AIR,RMS run by Paragon	-0.1611%
2019 HB301	-0.4595%	-0.2068%	AIR,RMS run by Paragon	-0.2068%

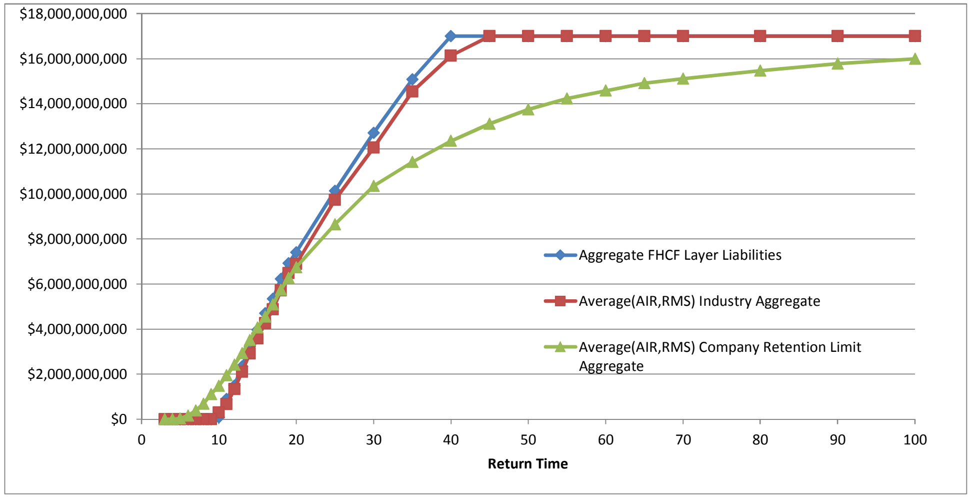
Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report
Average (AIR,RMS) Modeled Adjusted Loss Severity Distributions (updated for SB301 10% LAE)
Coverage Selections Data as of 03/01/2019

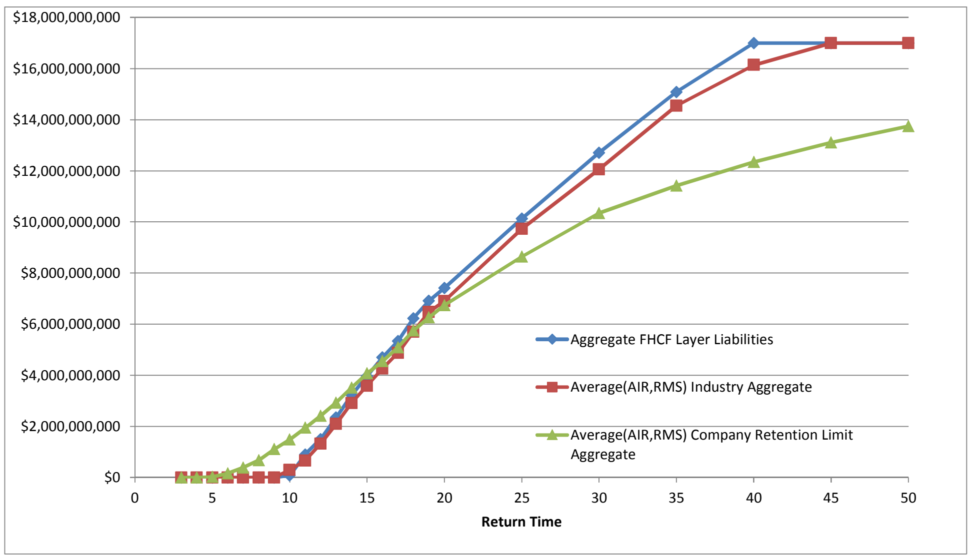
					Traditional FHCF Only Layer				
Return Time	Probability of Exceedance	Uniform Weighted Section I Gross Per Event (100% Coverage, no LAE)	FHCF Layer Weighted Section I Gross Per Event (100% Coverage, no LAE)	Section I Excess Retention Aggregate (100% Coverage, no LAE)	Single Event FHCF Layer Liabilities	Aggregate FHCF Layer Liabilities	FHCF Layer adj Average (AIR,RMS) Section I Gross Annual (100% Coverage, no LAE)	Average(AIR,RMS) Industry Aggregate	Average(AIR,RMS) Company Retention Limit Aggregate
1000	0.0010	$115,215,870,491	$117,870,379,794	$114,004,008,019	$17,000,000,000	$17,000,000,000	124,761,818,582	17,000,000,000	16,997,755,493
900	0.0011	$112,002,326,016	$113,391,522,964	$108,563,070,980	$17,000,000,000	$17,000,000,000	122,454,651,062	17,000,000,000	16,996,659,774
800	0.0013	$108,622,488,054	$110,386,002,962	$104,440,869,568	$17,000,000,000	$17,000,000,000	117,700,343,541	17,000,000,000	16,995,881,398
700	0.0014	$103,186,707,290	$104,933,193,441	$100,291,233,077	$17,000,000,000	$17,000,000,000	111,835,420,359	17,000,000,000	16,993,884,571
600	0.0017	$99,987,044,524	$99,987,044,524	$93,680,275,248	$17,000,000,000	$17,000,000,000	106,339,560,711	17,000,000,000	16,987,315,154
500	0.0020	$94,063,260,972	$93,691,774,186	$87,792,052,490	$17,000,000,000	$17,000,000,000	98,591,894,039	17,000,000,000	16,977,629,134
400	0.0025	$86,984,966,891	$85,639,514,732	$80,683,935,318	$17,000,000,000	$17,000,000,000	90,113,556,386	17,000,000,000	16,956,546,225
300	0.0033	$77,750,422,023	$75,375,397,228	$69,618,589,857	$17,000,000,000	$17,000,000,000	80,756,429,112	17,000,000,000	16,897,581,684
250	0.0040	$72,911,984,197	$69,091,486,200	$63,485,031,782	$17,000,000,000	$17,000,000,000	74,932,453,306	17,000,000,000	16,845,090,867
200	0.0050	$66,289,543,932	$63,288,009,862	$57,160,157,588	$17,000,000,000	$17,000,000,000	68,607,693,797	17,000,000,000	16,734,348,092
150	0.0067	$58,859,145,460	$55,725,991,458	$49,210,707,391	$17,000,000,000	$17,000,000,000	59,691,903,179	17,000,000,000	16,524,398,158
100	0.0100	$48,734,916,446	$45,419,501,151	$38,912,874,387	$17,000,000,000	$17,000,000,000	48,620,018,346	17,000,000,000	15,994,954,982
90	0.0111	$45,884,398,906	$42,698,289,116	$36,471,255,550	$17,000,000,000	$17,000,000,000	46,028,323,913	17,000,000,000	15,782,125,006
80	0.0125	$42,718,504,980	$40,259,285,779	$33,783,149,893	$17,000,000,000	$17,000,000,000	42,805,283,874	17,000,000,000	15,466,902,137
70	0.0143	$39,803,417,693	$37,257,367,632	$30,587,227,540	$17,000,000,000	$17,000,000,000	39,325,599,325	17,000,000,000	15,109,151,826
65	0.0154	$37,961,121,732	$35,988,797,059	$29,103,216,112	$17,000,000,000	$17,000,000,000	37,214,426,098	17,000,000,000	14,912,943,724
60	0.0167	$36,364,977,177	$34,106,496,601	$27,436,270,439	$17,000,000,000	$17,000,000,000	35,539,721,036	17,000,000,000	14,578,738,576
55	0.0182	$34,454,521,002	$32,212,214,812	$25,447,697,346	$17,000,000,000	$17,000,000,000	33,811,128,616	17,000,000,000	14,232,989,281
50	0.0200	$32,411,685,643	$30,235,987,765	$23,563,095,713	$17,000,000,000	$17,000,000,000	32,197,115,055	17,000,000,000	13,740,065,582
45	0.0222	$30,164,303,364	$28,451,480,964	$21,420,703,046	$17,000,000,000	$17,000,000,000	30,183,032,264	17,000,000,000	13,105,743,121
40	0.0250	$27,915,013,527	$26,231,087,081	$19,349,136,649	$16,888,999,772	$17,000,000,000	27,745,826,143	16,140,218,527	12,346,647,044
35	0.0286	$25,285,914,744	$23,866,619,413	$16,791,662,424	$14,765,903,966	$15,077,519,800	25,296,788,145	14,548,933,702	11,418,517,160
30	0.0333	$22,575,818,457	$21,220,308,594	$14,148,170,814	$12,389,736,392	$12,703,883,641	22,497,625,110	12,053,468,702	10,343,182,108
25	0.0400	$19,564,199,878	$18,469,673,352	$11,285,074,732	$9,919,894,141	$10,133,060,886	19,594,354,622	9,731,563,115	8,638,852,229
20	0.0500	$16,340,538,322	$15,554,855,623	$8,254,010,171	$7,302,629,637	$7,411,416,371	16,499,053,208	6,897,192,665	6,740,675,144
19	0.0526	$15,592,687,610	$14,947,689,395	$7,703,925,053	$6,757,444,736	$6,917,485,570	15,732,044,937	6,479,418,759	6,262,573,833
18	0.0556	$14,903,086,062	$14,226,693,602	$6,933,459,520	$6,110,050,328	$6,225,671,440	15,002,583,917	5,707,358,837	5,747,222,215
17	0.0588	$14,130,007,849	$13,299,416,279	$5,946,786,259	$5,277,432,220	$5,339,720,708	14,283,397,291	4,872,436,978	5,094,264,422
16	0.0625	$13,271,230,997	$12,594,282,051	$5,239,774,580	$4,644,280,183	$4,704,882,874	13,351,754,851	4,259,973,316	4,547,161,375
15	0.0667	$12,431,873,760	$11,809,361,805	$4,415,013,035	$3,939,486,920	$3,964,315,430	12,515,679,324	3,586,121,092	4,069,643,851
14	0.0714	$11,567,439,752	$10,953,531,438	$3,596,978,845	$3,171,022,251	$3,229,788,593	11,752,888,369	2,911,768,744	3,517,118,541
13	0.0769	$10,682,701,507	$10,013,200,633	$2,617,464,837	$2,326,683,199	$2,350,266,275	10,889,731,591	2,100,825,014	2,929,456,937
12	0.0833	$9,702,643,083	$9,048,012,126	$1,667,096,317	$1,460,023,993	$1,496,914,189	10,003,368,964	1,328,707,121	2,413,356,567
11	0.0909	$8,769,675,811	$8,390,223,862	$996,427,762	$869,384,703	$894,709,466	9,137,474,647	663,079,190	1,942,880,411
10	0.1000	$7,871,349,492	$7,495,261,066	$100,359,194	$65,782,359	$90,114,230	8,183,392,897	295,364,795	1,484,662,817
9	0.1111	$6,850,230,218	$6,647,472,106	$0	$0	$0	7,321,723,314	-	1,104,888,608
8	0.1250	$5,920,663,158	$5,825,366,781	$0	$0	$0	6,281,349,220	-	676,041,218
7	0.1429	$4,878,042,065	$4,922,408,323	$0	$0	$0	5,369,917,446	-	386,062,029
6	0.1667	$3,712,332,233	$3,788,666,824	$0	$0	$0	4,324,727,266	-	159,199,654
5	0.2000	$2,530,804,325	$2,569,342,102	$0	$0	$0	3,018,306,355	-	27,390,663
4	0.2500	$1,454,794,922	$1,544,917,759	$0	$0	$0	1,810,864,790	-	810,754
3	0.3333	$531,487,799	$575,503,008	$0	$0	$0	729,639,816	-	-

Aggregate FHCF Liabilities include Sections I, II and LAE, and are at weighted average coverage.
2019 Severity distributions based on AIR, EQE, RMS, ARA and FPM models.

FHCF: Adjusted Curve for Company Retentions and Limits

Based on Average (AIR, RMS) 2019 Analysis





EXHIBIT

IX

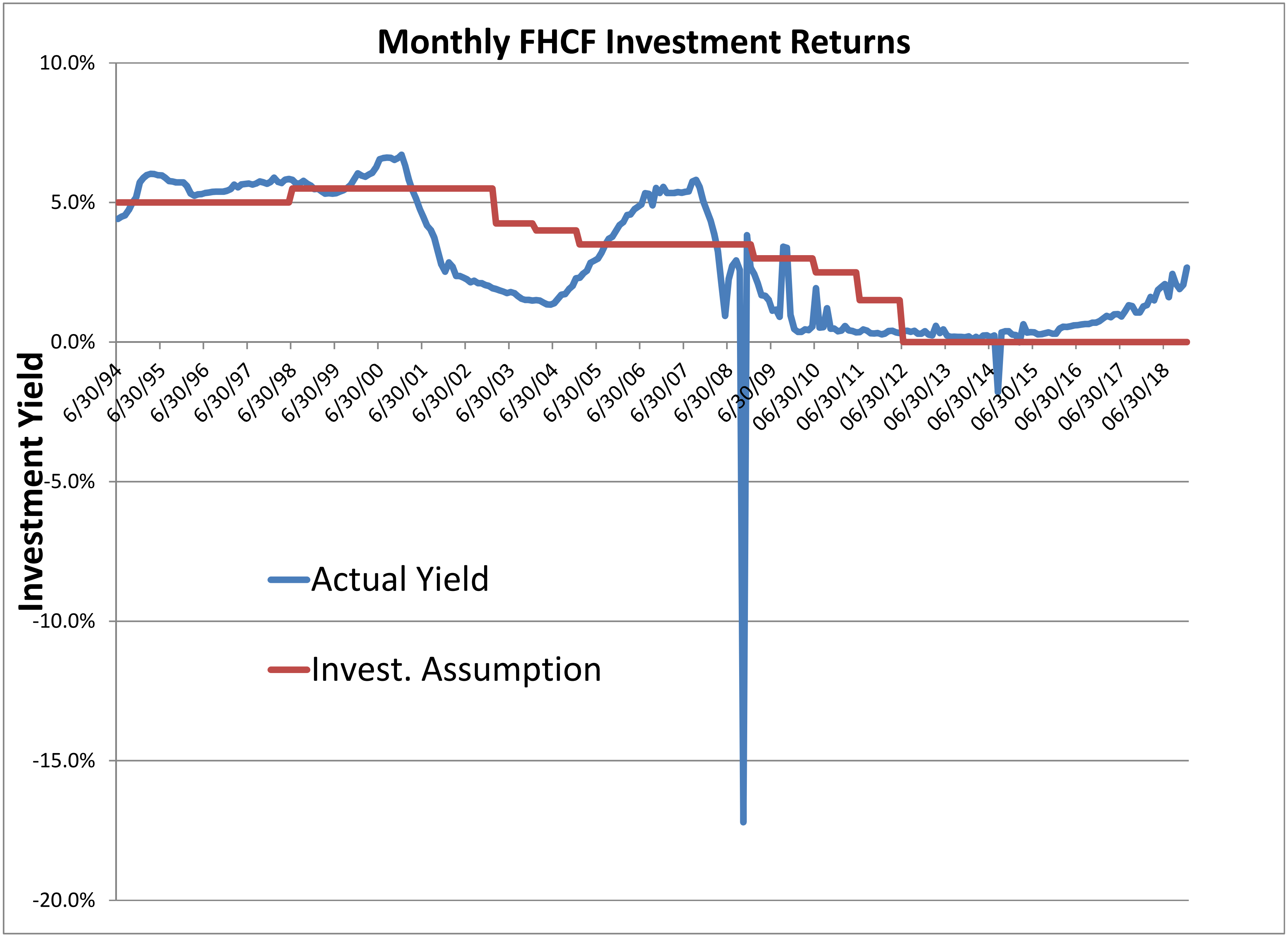
Florida Hurricane Catastrophe Fund
Monthly Investment Return History
Most Recent Five Years

	Month Ending	FHCF Rate of Return	12 Month Rolling Average	
1	01/31/14	0.10		
2	02/28/14	0.18		
3	03/31/14	0.11		
4	04/30/14	0.24		
5	05/31/14	0.24		
6	06/30/14	0.17		
7	07/31/14	0.23		
8	08/31/14	-1.79		
9	09/30/14	0.35		
10	10/31/14	0.39		
11	11/30/14	0.39		
12	12/31/14	0.26	0.07	
13	01/31/15	0.25	0.09	
14	02/28/15	-0.01	0.07	
15	03/31/15	0.64	0.11	
16	04/30/15	0.34	0.12	
17	05/31/15	0.36	0.13	
18	06/30/15	0.35	0.15	
19	07/31/15	0.27	0.15	
20	08/31/15	0.28	0.32	
21	09/30/15	0.31	0.32	
22	10/31/15	0.34	0.32	
23	11/30/15	0.30	0.31	
24	12/31/15	0.30	0.31	
25	01/31/16	0.49	0.33	*
26	02/29/16	0.55	0.38	
27	03/31/16	0.54	0.37	
28	04/30/16	0.57	0.39	
29	05/31/16	0.60	0.41	
30	06/30/16	0.60	0.43	

	Month Ending	FHCF Rate of Return	12 Month Rolling Average
31	07/31/16	0.63	0.46
32	08/31/16	0.65	0.49
33	09/30/16	0.65	0.52
34	10/31/16	0.69	0.55
35	11/30/16	0.69	0.58
36	12/31/16	0.75	0.62
37	01/31/17	0.85	0.65
38	02/28/17	0.93	0.68
39	03/31/17	0.89	0.71
40	04/30/17	1.00	0.74
41	05/31/17	1.00	0.78
42	06/30/17	0.91	0.80
43	07/31/17	1.10	0.84
44	08/31/17	1.32	0.90
45	09/30/17	1.29	0.95
46	10/31/17	1.06	0.98
47	11/30/17	1.06	1.01
48	12/31/17	1.27	1.06
49	01/31/18	1.33	1.10
50	02/28/18	1.62	1.15
51	03/31/18	1.49	1.20
52	04/30/18	1.86	1.28
53	05/31/18	1.97	1.36
54	06/30/18	2.07	1.45
55	07/31/18	1.61	1.50
56	08/31/18	2.44	1.59
57	09/30/18	2.08	1.65
58	10/31/18	1.90	1.72
59	11/30/18	2.05	1.81
60	12/31/18	2.66	1.92

RM Report	Average
1 year	1.92
2 year	1.49
3 year	1.20
4 year	0.98
5 year	0.80
Incept to date	2.82

* Return values prior to 01/31/2016 were based on original cost. Values 01/31/2016 and subsequent are based on amortized cost, which is consistent with FHCF investment policy.



Monthly FHCF Investment Returns
Investment Yield
10.0%
5.0%
0.0%
-5.0%
-10.0%
-15.0%
-20.0%
6/30/94
6/30/95
6/30/96
6/30/97
6/30/98
6/30/99
6/30/00
6/30/01
6/30/02
6/30/03
6/30/04
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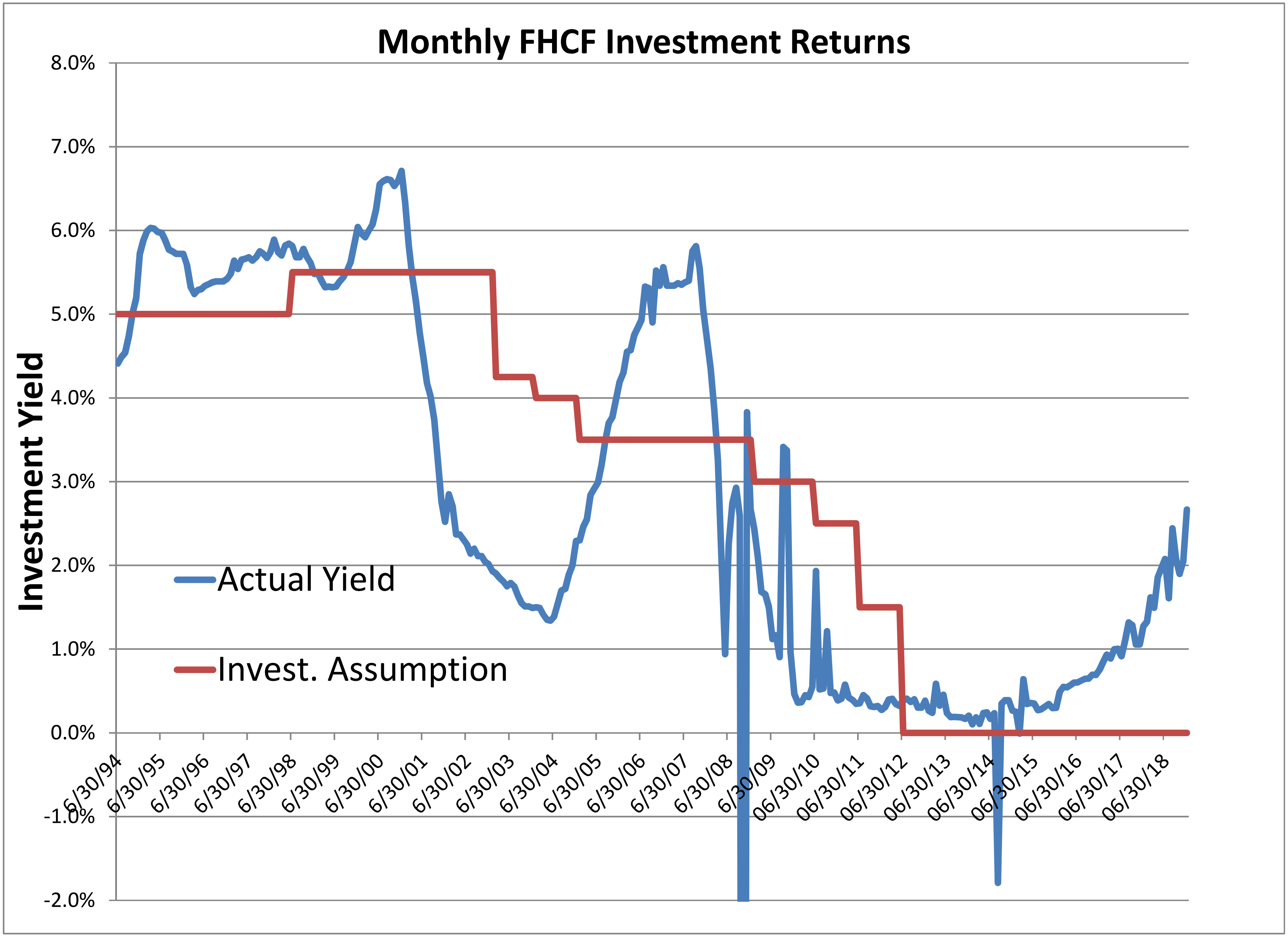
06/30/16
06/30/17
06/30/18
Actual Yield
Invest. Assumption


Monthly FHCF Investment Returns
Investment Yield
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
Actual Yield
Invest. Assumption
6/30/94
6/30/95
6/30/96
6/30/97
6/30/98
6/30/99
6/30/00
6/30/01
6/30/02
6/30/03
6/30/04
6/30/05
6/30/06
6/30/07
6/30/08
6/30/09
06/30/10
06/30/11
06/30/12
06/30/13
06/30/14
06/30/15
06/30/16
06/30/17
06/30/18

FHCF INVESTMENT INCOME*

(Excludes Finance Corporation)

	Year	Investment Income	35% of Investment Income
1	June 30, 1995	20,183,000	7,064,050
2	June 30, 1996	46,379,000	16,232,650
3	June 30, 1997	74,425,000	26,048,750
4	June 30, 1998	109,979,000	38,492,650
5	June 30, 1999	132,516,000	46,380,600
6	June 30, 2000	173,839,000	60,843,650
7	June 30, 2001	220,915,000	77,320,250
8	June 30, 2002	122,535,000	42,887,250
9	June 30, 2003	104,939,000	36,728,650
10	June 30, 2004	58,127,000	20,344,450
11	June 30, 2005	108,672,000	38,035,200
12	June 30, 2006	103,175,000	36,111,250
13	June 30, 2007	36,065,000	12,622,750
14	June 30, 2008	46,816,000	16,385,600
15	June 30, 2009	7,803,000	2,731,050
16	June 30, 2010	54,298,000	19,004,300
17	June 30, 2011	29,983,000	10,494,050
18	June 30, 2012	26,634,000	9,321,900
19	June 30, 2013	34,636,000	12,122,600
20	June 30, 2014	19,086,000	6,680,100
20	June 30, 2015	29,009,000	10,153,150
21	June 30, 2016	56,143,000	19,650,050
22	June 30, 2017	109,450,000	38,307,500
23	June 30, 2018	201,443,000	70,505,050
		$1,927,050,000	$674,467,500

*Source: FHCF Audited Financial Statements

Note: 1997 was the first year of mitigation funding.

F.S. 215.555(7)(c) Each fiscal year, the Legislature shall appropriate from the investment income of the Florida Hurricane Catastrophe Fund an amount no less than $10 million and no more than 35 percent of the investment income based upon the most recent fiscal year-end audited financial statements for the purpose of providing funding for local governments, state agencies, public and private educational institutions, and nonprofit organizations to support programs intended to improve hurricane preparedness, reduce potential losses in the event of a hurricane, provide research into means to reduce such losses, educate or inform the public as to means to reduce hurricane losses, assist the public in determining the appropriateness of particular upgrades to structures or in the financing of such upgrades, or protect local infrastructure from potential damage from a hurricane. Moneys shall first be available for appropriation under this paragraph in fiscal year 1997-1998. Moneys in excess of the $10 million specified in this paragraph shall not be available for appropriation under this paragraph if the State Board of Administration finds that an appropriation of investment income from the fund would jeopardize the actuarial soundness of the fund.

EXHIBIT

X

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Pre-Event Note Expense Loading
Contract Term : 6/01/2019 to 5/31/2020

		2013A Projected Debt Service	**2016A Projected Debt Service**	**Total Debt Service Net Cost**
1	Reimbursement Deposit Premium	14,000,000	7,000,000	21,000,000
2	Average Market Value	1,000,000,000	695,081,967	1,695,081,967
3	Exp. Default Loading %	0.3%	0.3%	
4	Exp. Default Cost (2)*(3)	3,000,000	2,085,246	5,085,246
5	Total Projected Liquidity Facility Cost (1)+(4)	17,000,000	9,085,246	26,085,246

Notes
- This method uses values projected by the FHCF's Financial Advisor, Raymond James (01/18/2019 for 2013A); (1/18/2019 for 2016A); plus a judgmental loading for potential asset loss.
- $550 million of $1.2 billion 2016A Bonds come due on 7/1/2019.

EXHIBIT

XI

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Additional Pre-Event Note Options

1	Est. FHCF Premium (with cash build up)	1,199,825,413	Exhibit 2, Line 73	
2	Cash Build-up Factor	25%		
3	Limit	$17,000,000,000	Projected Payout Multiple	14.1687
4	Retention	$7,422,000,000	Retention Multiple 100%	5.0495
5	Coverage %	81.629%	Retention Multiple 90%	5.6105
			Retention Multiple 75%	6.7326
			Retention Multiple 45%	11.2211

	Est. Additional Annual Cost	Change in Cost + Cash Build-up	Impact on Rate	Projected Payout Multiple	Retention Multiple 90%	Retention Multiple 75%	Retention Multiple 45%
1	At Current Level Costs	0	0.00%	14.1687	5.6105	6.7326	11.2211
2	5,000,000	6,250,000	0.52%	14.0953	5.5815	6.6977	11.1629
3	10,000,000	12,500,000	1.04%	14.0226	5.5527	6.6632	11.1054
4	15,000,000	18,750,000	1.56%	13.9507	5.5242	6.6290	11.0484
5	20,000,000	25,000,000	2.08%	13.8795	5.4960	6.5952	10.9920
6	25,000,000	31,250,000	2.60%	13.8091	5.4681	6.5617	10.9362
7	30,000,000	37,500,000	3.13%	13.7393	5.4405	6.5286	10.8810
8	35,000,000	43,750,000	3.65%	13.6703	5.4131	6.4958	10.8263
9	40,000,000	50,000,000	4.17%	13.6019	5.3861	6.4633	10.7722
10	45,000,000	56,250,000	4.69%	13.5342	5.3593	6.4311	10.7186
11	50,000,000	62,500,000	5.21%	13.4672	5.3327	6.3993	10.6655
12	55,000,000	68,750,000	5.73%	13.4009	5.3065	6.3678	10.6129
13	60,000,000	75,000,000	6.25%	13.3352	5.2805	6.3365	10.5609

EXHIBIT

XII

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Reimbursement Premium Credits as of 10/29/18

	2018 FHCF Premium (Base Premium)					
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condo-Owners**	**Total**
Total Gross FHCF Premium	$90,230,205	$905,471,983	$44,576,276	$8,697,867	$74,396,736	$1,123,373,066
FHCF Premium Credits/Debits	-$2,248,968	-$16,732,339	$0	-$189,402	-$1,281,622	-$20,452,331
Net FHCF Premium	$87,981,236	$888,739,645	$44,576,276	$8,508,465	$73,115,114	$1,102,920,735

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Reimbursement Premium Credits as of 10/29/18

	Percent of Gross Premium					
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condo-Owners**	**Total**
Total Gross FHCF Premium	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FHCF Premium Credits/Debits	-2.49%	-1.85%	0.00%	-2.18%	-1.72%	-1.82%
Net FHCF Premium	97.51%	98.15%	100.00%	97.82%	98.28%	98.18%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Reimbursement Premium Credits as of 10/29/18

	2018 FHCF Exposure					
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condo-Owners**	**Total**
Total Exposure	$156,590,097,051	$1,960,950,683,223	$27,056,757,709	$28,254,287,214	$102,304,393,979	$2,275,156,219,176
Debit = 30% or greater	$69,110,302,156	$606,710,620,295	$0	$6,915,774,879	$38,774,632,925	$721,511,330,255
20%<Debit<30%	$0	$276,001,358,802	$0	$0	$0	$276,001,358,802
15%<Debit<20%	$14,279,154,814	$0	$0	$0	$4,593,521,317	$18,872,676,131
10%<Debit<15%	$8,661,343,939	$0	$0	$937,984,818	$0	$9,599,328,757
5%<Debit <10%	$0	$0	$0	$10,061,272,323	$9,796,912,007	$19,858,184,330
0%<Debit<=5%	$0	$0	$114,201,943	$0	$0	$114,201,943
No Credit/Debit	$0	$2	$26,942,555,766	$1	$0	$26,942,555,769
0%<Credit<=5%	$82,080	$49,230,549,544	$0	$0	$0	$49,230,631,624
5%<Credit<10%	$798,092,676	$4,152,487	$0	$0	$0	$802,245,163
10%<Credit<15%	$0	$120,981,171,941	$0	$0	$31,859,282	$121,013,031,223
15%<Credit<20%	$0	$0	$0	$85,480,232	$8,480,475,462	$8,565,955,694
20%<Credit<30%	$6,825,295,806	$0	$0	$2,554,978,179	$0	$9,380,273,985
Credit =30% or greater	$56,915,825,580	$908,022,830,152	$0	$7,698,796,782	$40,626,992,986	$1,013,264,445,500

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Reimbursement Premium Credits as of 10/29/18

	Percent of Total Exposure					
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condo-Owners**	**Total**
Total Exposure	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Debit = 30% or greater	44.13%	30.94%	0.00%	24.48%	37.90%	31.71%
20%<Debit<30%	0.00%	14.07%	0.00%	0.00%	0.00%	12.13%
15%<Debit<20%	9.12%	0.00%	0.00%	0.00%	4.49%	0.83%
10%<Debit<15%	5.53%	0.00%	0.00%	3.32%	0.00%	0.42%
5%<Debit <10%	0.00%	0.00%	0.00%	35.61%	9.58%	0.87%
0%<Debit<=5%	0.00%	0.00%	0.42%	0.00%	0.00%	0.01%
No Credit/Debit	0.00%	0.00%	99.58%	0.00%	0.00%	1.18%
0%<Credit<=5%	0.00%	2.51%	0.00%	0.00%	0.00%	2.16%
5%<Credit<10%	0.51%	0.00%	0.00%	0.00%	0.00%	0.04%
10%<Credit<15%	0.00%	6.17%	0.00%	0.00%	0.03%	5.32%
15%<Credit<20%	0.00%	0.00%	0.00%	0.30%	8.29%	0.38%
20%<Credit<30%	4.36%	0.00%	0.00%	9.04%	0.00%	0.41%
Credit =30% or greater	36.35%	46.31%	0.00%	27.25%	39.71%	44.54%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Reimbursement Premium Credits as of 10/29/18

	2018 FHCF Risk Counts					
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condo-Owners**	**Total**
Total Risk Counts	147,990	4,488,021	332,699	1,028,092	866,696	6,863,498
Debit = 30% or greater	77,021	1,810,798	0	229,355	461,866	2,579,040
20%<Debit<30%	0	671,275	0	0	0	671,275
15%<Debit<20%	24,182	0	0	0	49,167	73,349
10%<Debit<15%	2,599	0	0	34,246	0	36,845
5%<Debit <10%	0	0	0	457,140	58,777	515,917
0%<Debit<=5%	0	0	1,419	0	0	1,419
No Credit/Debit	0	1	331,280	1	0	331,282
0%<Credit<=5%	1	70,790	0	0	0	70,791
5%<Credit<10%	1,105	13	0	0	0	1,118
10%<Credit<15%	0	275,223	0	0	321	275,544
15%<Credit<20%	0	0	0	1,452	67,299	68,751
20%<Credit<30%	6,039	0	0	81,843	0	87,882
Credit =30% or greater	37,043	1,659,921	0	224,055	229,266	2,150,285

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Reimbursement Premium Credits as of 10/29/18

	Percent of All Risks					
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condo-Owners**	**Total**
Total Risk Counts	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Debit = 30% or greater	52.04%	40.35%	0.00%	22.31%	53.29%	37.58%
20%<Debit<30%	0.00%	14.96%	0.00%	0.00%	0.00%	9.78%
15%<Debit<20%	16.34%	0.00%	0.00%	0.00%	5.67%	1.07%
10%<Debit<15%	1.76%	0.00%	0.00%	3.33%	0.00%	0.54%
5%<Debit <10%	0.00%	0.00%	0.00%	44.46%	6.78%	7.52%
0%<Debit<=5%	0.00%	0.00%	0.43%	0.00%	0.00%	0.02%
No Credit/Debit	0.00%	0.00%	99.57%	0.00%	0.00%	4.83%
0%<Credit<=5%	0.00%	1.58%	0.00%	0.00%	0.00%	1.03%
5%<Credit<10%	0.75%	0.00%	0.00%	0.00%	0.00%	0.02%
10%<Credit<15%	0.00%	6.13%	0.00%	0.00%	0.04%	4.01%
15%<Credit<20%	0.00%	0.00%	0.00%	0.14%	7.77%	1.00%
20%<Credit<30%	4.08%	0.00%	0.00%	7.96%	0.00%	1.28%
Credit =30% or greater	25.03%	36.99%	0.00%	21.79%	26.45%	31.33%

EXHIBIT

XIII

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2019 County Rating Groups

County	Dominant Group	Other Groups	County	Dominant Group	Other Groups
ALACHUA	1		LAKE	3	1,2,4
BAKER	1		LEE	7	6,8,9,10,11,12,13,14,15,16,17
BAY	6	1,2,3,4,7,8,10	LEON	1	
BRADFORD	1		LEVY	2	1,3,5
BREVARD	6	4,5,7,8,9,11,12,14	LIBERTY	1	
BROWARD	11	8,9,10,12,13,14,17,19,20,21,22,23	MADISON	1	
CALHOUN	1		MANATEE	5	6,7,8,9,13,14
CHARLOTTE	6	5,7,8,9,12	MARION	2	1
CITRUS	2		MARTIN	17	10,13,14,16,18
CLAY	1		MIAMI-DADE	12	11,13,14,15,16,17,18,19,20,21,22,23,24,25
COLLIER	10	7,8,9,11,14,15,16,17	MONROE	20	18,23,24,25
COLUMBIA	1		NASSAU	1	2
DESOTO	5		OKALOOSA	2	1,5,6,7,9,10
DIXIE	1	2,4	OKEECHOBEE	7	10
DUVAL	1	3	ORANGE	3	2,4,5
ESCAMBIA	8	1,2,3,4,5,6,7,9,10,11	OSCEOLA	3	5
FLAGLER	5	1,2,3	PALM BEACH	11	9,10,12,13,14,15,16,17,18,19,20,21,22
FRANKLIN	4	6	PASCO	4	3,5,6,7
GADSDEN	1		PINELLAS	6	4,5,7,8,9,10,11,12,13
GILCHRIST	1		POLK	4	3,5
GLADES	7		PUTNAM	1	2
GULF	6	1	SAINT JOHNS	1	2,3,4
HAMILTON	1		SAINT LUCIE	9	8,10,11,12,13,15,18
HARDEE	4		SANTA ROSA	3	2,8,10,11,13
HENDRY	6	10	SARASOTA	10	5,6,7,8,9,11
HERNANDO	3	2,4,5	SEMINOLE	2	3
HIGHLANDS	5	6	SUMTER	2	3
HILLSBOROUGH	4	3,5,6,7,8,9,10	SUWANNEE	1	
HOLMES	1		TAYLOR	1	
INDIAN RIVER	11	6,8,9,12,15,16	UNION	1	
JACKSON	1		VOLUSIA	2	3,4,5,6,7,8
JEFFERSON	1		WAKULLA	1	3
LAFAYETTE	1		WALTON	2	1,3,7,10,11
			WASHINGTON	1	2,8

Florida Hurricane Catastrophe Fund

2019 Ratemaking Formula Report

County Rating Regions

County Number	County Name	2019 Region
1	ALACHUA	1
3	BAKER	1
5	BAY	5
7	BRADFORD	1
9	BREVARD	7
11	BROWARD	13
13	CALHOUN	1
15	CHARLOTTE	7
17	CITRUS	2
19	CLAY	1
21	COLLIER	11
23	COLUMBIA	1
27	DE SOTO	5
29	DIXIE	1
31	DUVAL	1
33	ESCAMBIA	6
35	FLAGLER	3
37	FRANKLIN	6
39	GADSDEN	1
41	GILCHRIST	1
43	GLADES	7
45	GULF	5
47	HAMILTON	1
49	HARDEE	4
51	HENDRY	8
53	HERNANDO	3
55	HIGHLANDS	5
57	HILLSBOROUGH	5
59	HOLMES	1
61	INDIAN RIVER	12
63	JACKSON	1
65	JEFFERSON	1
67	LAFAYETTE	1
69	LAKE	3

County Number	County Name	2019 Region
71	LEE	8
73	LEON	1
75	LEVY	2
77	LIBERTY	1
79	MADISON	1
81	MANATEE	6
83	MARION	2
85	MARTIN	14
86	MIAMI-DADE	16
87	MONROE	22
89	NASSAU	2
91	OKALOOSA	6
93	OKEECHOBEE	9
95	ORANGE	3
97	OSCEOLA	4
99	PALM BEACH	14
101	PASCO	4
103	PINELLAS	8
105	POLK	4
107	PUTNAM	1
109	SAINT JOHNS	2
111	SAINT LUCIE	10
113	SANTA ROSA	7
115	SARASOTA	8
117	SEMINOLE	2
119	SUMTER	2
121	SUWANNEE	1
123	TAYLOR	1
125	UNION	1
127	VOLUSIA	3
129	WAKULLA	1
131	WALTON	7
133	WASHINGTON	1

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2019 Rating Group Definitions by Group

Group 1	32003	32079	32210	32302	32352	32465	32658
235 Zips	32006	32081	32211	32303	32353	32535	32662
	32008	32083	32212	32304	32355	32538	32664
	32009	32087	32214	32305	32356	32567	32666
	32011	32091	32216	32306	32357	32601	32667
	32013	32092	32217	32307	32358	32603	32669
	32024	32094	32218	32308	32359	32604	32680
	32025	32096	32219	32309	32360	32605	32681
	32026	32097	32220	32310	32361	32606	32686
	32030	32099	32221	32311	32362	32607	32693
	32033	32102	32222	32312	32395	32608	32694
	32038	32110	32223	32313	32399	32609	32697
	32040	32113	32224	32314	32420	32610	34488
	32041	32134	32225	32315	32421	32611	
	32042	32138	32226	32316	32422	32612	
	32043	32140	32229	32317	32423	32614	
	32044	32145	32231	32318	32424	32615	
	32046	32147	32232	32321	32425	32616	
	32050	32148	32234	32324	32426	32617	
	32052	32160	32235	32326	32427	32618	
	32053	32177	32236	32327	32428	32619	
	32054	32178	32238	32330	32430	32622	
	32055	32182	32239	32331	32431	32626	
	32056	32185	32241	32332	32432	32627	
	32058	32187	32244	32333	32438	32628	
	32059	32189	32245	32334	32440	32631	
	32060	32192	32246	32336	32442	32633	
	32061	32193	32247	32337	32443	32634	
	32062	32201	32254	32340	32445	32635	
	32063	32202	32255	32341	32446	32640	
	32064	32203	32256	32343	32447	32641	
	32065	32204	32257	32344	32448	32643	
	32066	32205	32258	32345	32449	32644	
	32067	32206	32259	32347	32455	32653	
	32068	32207	32260	32348	32460	32654	
	32071	32208	32277	32350	32463	32655	
	32073	32209	32301	32351	32464	32656	

Group 2	32007	32180	32663	32728	32791	34442	34477
142 Zips	32034	32181	32668	32730	32792	34445	34478
	32035	32183	32683	32733	32793	34446	34479
	32086	32190	32696	32736	32795	34447	34480
	32095	32195	32701	32738	32799	34448	34481
	32105	32433	32702	32739	32817	34449	34482
	32111	32434	32706	32744	32867	34450	34483
	32112	32435	32707	32745	33521	34451	34484
	32124	32462	32708	32746	33538	34452	34487
	32128	32466	32713	32750	34420	34453	34489
	32130	32531	32714	32752	34421	34460	34491
	32131	32536	32715	32753	34423	34461	34492
	32133	32537	32716	32762	34428	34464	34601
	32139	32539	32718	32763	34429	34465	34636
	32157	32564	32719	32764	34430	34470	34661
	32158	32565	32720	32765	34431	34471	34785
	32159	32568	32721	32767	34432	34472	
	32162	32570	32722	32774	34433	34473	
	32163	32621	32723	32776	34434	34474	
	32164	32639	32724	32779	34436	34475	
	32179	32648	32725	32784	34441	34476	

Group 3	32004	32572	32794	32828	32878	33647	34713
165 Zips	32082	32577	32798	32829	32885	33687	34714
	32084	32583	32801	32830	32886	33688	34731
	32085	32703	32802	32831	32891	33810	34734
	32129	32704	32803	32832	32896	33836	34736
	32137	32709	32804	32833	33513	33837	34737
	32168	32710	32805	32835	33514	33848	34741
	32174	32712	32806	32836	33523	33849	34742
	32227	32726	32807	32837	33537	33858	34745
	32228	32727	32808	32839	33544	33868	34747
	32233	32732	32809	32853	33549	33896	34748
	32240	32735	32810	32854	33559	33897	34749
	32250	32747	32811	32855	33565	34498	34753
	32266	32751	32812	32856	33585	34602	34758
	32346	32756	32814	32857	33592	34603	34759
	32403	32757	32816	32858	33593	34604	34761
	32404	32766	32818	32859	33594	34605	34762
	32409	32768	32819	32860	33595	34608	34786
	32439	32771	32820	32861	33596	34609	34788
	32444	32772	32821	32862	33597	34613	34789
	32530	32773	32822	32868	33613	34614	34797
	32533	32777	32824	32869	33617	34639	
	32560	32789	32825	32872	33618	34654	
	32571	32790	32826	32877	33620	34705	

Group 4	32080	32526	33526	33576	33809	33854	34611
140 Zips	32114	32534	33527	33579	33811	33855	34637
	32116	32559	33530	33583	33812	33856	34638
	32117	32692	33539	33584	33813	33859	34655
	32119	32754	33540	33587	33815	33860	34669
	32120	32775	33541	33612	33820	33863	34685
	32121	32778	33542	33624	33823	33867	34688
	32122	32796	33543	33625	33830	33873	34711
	32123	32815	33545	33626	33831	33877	34712
	32125	32827	33547	33637	33835	33880	34715
	32127	32926	33548	33682	33838	33881	34729
	32132	32927	33550	33689	33839	33882	34743
	32141	32959	33556	33694	33840	33883	34744
	32173	33503	33558	33801	33841	33884	34746
	32175	33508	33563	33802	33844	33885	34755
	32198	33509	33564	33803	33845	33888	34756
	32322	33510	33566	33804	33846	33890	34771
	32323	33511	33567	33805	33847	33898	34772
	32405	33524	33569	33806	33850	34606	34773
	32509	33525	33574	33807	33851	34610	34787

Group 5	32135	32783	33633	33827	34202	34267	34684
82 Zips	32136	32907	33635	33834	34203	34268	34690
	32142	32910	33660	33843	34204	34269	34692
	32143	33568	33661	33853	34211	34286	34739
	32514	33571	33662	33865	34212	34288	34740
	32578	33573	33673	33870	34219	34289	34760
	32580	33578	33674	33871	34232	34291	34769
	32588	33598	33680	33872	34235	34607	34770
	32625	33603	33761	33875	34240	34653	34777
	32759	33604	33782	33938	34251	34656	34778
	32780	33610	33825	33954	34265	34677	
	32781	33614	33826	34201	34266	34680	

Group 6	32176	32899	33575	33663	33769	33935	34287
108 Zips	32328	32904	33586	33672	33771	33952	34290
	32401	32908	33601	33675	33773	33953	34292
	32402	32909	33602	33677	33780	33960	34652
	32406	32922	33605	33684	33781	33966	34667
	32410	32923	33607	33685	33852	33975	34668
	32412	32924	33615	33716	33857	33980	34673
	32456	32934	33619	33732	33862	33982	34674
	32457	32948	33622	33742	33876	33983	34679
	32505	32953	33623	33758	33906	33994	34682
	32506	32954	33630	33759	33916	34208	34683
	32511	32955	33631	33760	33917	34222	34695
	32512	32956	33634	33763	33918	34233	
	32516	33534	33646	33764	33920	34241	
	32542	33570	33650	33765	33927	34243	
	32547	33572	33655	33766	33930	34270	

Group 7	32115	32579	33733	33909	33950	34120	34250
67 Zips	32118	32940	33762	33910	33951	34143	34278
	32126	33471	33777	33911	33955	34205	34691
	32170	33609	33778	33912	33971	34206	34697
	32320	33702	33784	33913	33972	34220	34698
	32329	33709	33901	33915	33976	34221	34972
	32407	33713	33902	33919	33990	34234	34973
	32417	33714	33903	33944	33991	34237	
	32459	33729	33905	33948	34117	34238	
	32504	33730	33907	33949	34119	34249	

Group 8	32169	32566	33679	33904	33973	34260	34945
50 Zips	32413	32591	33710	33914	33974	34264	34986
	32437	32935	33743	33928	33981	34281	
	32501	32936	33755	33929	33993	34282	
	32503	32966	33756	33936	34116	34293	
	32513	33076	33757	33965	34135	34660	
	32523	33606	33770	33967	34142	34681	
	32524	33629	33779	33970	34207	34689	

Group 9	32507	32911	32969	33681	33908	34239	34987
50 Zips	32508	32912	32970	33703	33947	34272	34988
	32548	32919	33028	33704	34104	34274	
	32549	32941	33082	33734	34109	34275	
	32901	32950	33412	33740	34114	34280	
	32902	32952	33478	33772	34209	34953	
	32905	32967	33608	33774	34210	34983	
	32906	32968	33611	33775	34224	34984	

Group 10	32408	32569	33411	33621	34113	34231	34956
52 Zips	32411	33029	33413	33701	34133	34236	34974
	32461	33063	33414	33711	34137	34276	34981
	32520	33318	33421	33731	34138	34277	34990
	32540	33322	33440	33747	34139	34284	
	32541	33327	33467	33767	34141	34285	
	32544	33345	33470	33776	34229	34951	
	32563	33351	33616	34110	34230	34954	

Group 11	32502	32965	33073	33321	33428	33473	34134
66 Zips	32521	32978	33075	33324	33430	33493	34136
	32522	33016	33077	33328	33437	33497	34223
	32550	33025	33093	33329	33446	33705	34242
	32562	33055	33097	33338	33448	33707	34295
	32937	33065	33198	33359	33449	33712	34947
	32949	33066	33313	33388	33454	33785	
	32957	33067	33317	33415	33459	33786	
	32958	33068	33319	33417	33463	34105	
	32962	33071	33320	33418	33472	34112	

Group 12	32903	33011	33056	33183	33325	33488	33744
54 Zips	32920	33012	33084	33184	33330	33496	33922
	32925	33013	33102	33222	33331	33498	33945
	32960	33015	33112	33247	33355	33706	33946
	32961	33017	33122	33266	33433	33708	34952
	32964	33024	33152	33283	33434	33736	34985
	32976	33026	33166	33314	33482	33738	
	33010	33027	33175	33323	33484	33741	

Group 13	32561	33054	33169	33192	33326	34215	34991
38 Zips	33002	33069	33172	33193	33332	34216	34997
	33014	33072	33174	33199	33442	34218	
	33018	33081	33178	33265	33458	34228	
	33021	33083	33186	33269	33715	34946	
	33023	33165	33188	33309	33956	34982	

Group 14	32931	33144	33177	33299	33336	33931	34994
26 Zips	32932	33147	33182	33310	33340	33932	34995
	32951	33167	33185	33311	33409	34108	
	33126	33173	33196	33312	33436	34217	

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Group 15	32971	33114	33168	33242	33420	33476	34950
32 Zips	33030	33116	33176	33255	33438	33957	34979
	33034	33134	33187	33406	33445	34103	
	33035	33142	33194	33410	33461	34140	
	33090	33155	33234	33416	33466	34948	

Group 16	32963	33033	33125	33179	33455	34101	34107
19 Zips	33031	33039	33150	33238	33475	34102	
	33032	33092	33170	33422	33921	34106	

Group 17	33060	33143	33243	33335	33427	34146
29 Zips	33061	33157	33257	33407	33474	34957
	33064	33162	33307	33424	33486	34958
	33074	33164	33315	33425	33924	34992
	33135	33197	33334	33426	34145	

Group 18	33042	33146	33191	33404	33481
23 Zips	33043	33156	33245	33419	34949
	33127	33161	33261	33431	34996
	33136	33189	33280	33462	
	33145	33190	33403	33465	

Group 19	33004	33133	33153	33303	33401	33443	33477
19 Zips	33020	33137	33233	33305	33408	33468	
	33022	33138	33301	33394	33441	33469	

Group 20	33040	33101	33128	33195	33296	33405	33499
19 Zips	33041	33106	33158	33206	33302	33444	
	33045	33124	33181	33256	33304	33487	

Group 21	33008	33051	33131	33306	33339	33402	33483
19 Zips	33009	33052	33132	33308	33346	33435	
	33050	33130	33231	33316	33348	33480	

Group 22	33062	33163	33429	33460
8 Zips	33129	33180	33432	33464

Group 23	33001	33019	33154	33160
4 Zips				
Group 24	33036	33119	33140	33239
7 Zips	33037	33139	33141	
Group 25	33070	33109	33149	
3 Zips				

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ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group
32003	1	32102	1	32181	2	32258	1
32004	3	32105	2	32182	1	32259	1
32006	1	32110	1	32183	2	32260	1
32007	2	32111	2	32185	1	32266	3
32008	1	32112	2	32187	1	32277	1
32009	1	32113	1	32189	1	32301	1
32011	1	32114	4	32190	2	32302	1
32013	1	32115	7	32192	1	32303	1
32024	1	32116	4	32193	1	32304	1
32025	1	32117	4	32195	2	32305	1
32026	1	32118	7	32198	4	32306	1
32030	1	32119	4	32201	1	32307	1
32033	1	32120	4	32202	1	32308	1
32034	2	32121	4	32203	1	32309	1
32035	2	32122	4	32204	1	32310	1
32038	1	32123	4	32205	1	32311	1
32040	1	32124	2	32206	1	32312	1
32041	1	32125	4	32207	1	32313	1
32042	1	32126	7	32208	1	32314	1
32043	1	32127	4	32209	1	32315	1
32044	1	32128	2	32210	1	32316	1
32046	1	32129	3	32211	1	32317	1
32050	1	32130	2	32212	1	32318	1
32052	1	32131	2	32214	1	32320	7
32053	1	32132	4	32216	1	32321	1
32054	1	32133	2	32217	1	32322	4
32055	1	32134	1	32218	1	32323	4
32056	1	32135	5	32219	1	32324	1
32058	1	32136	5	32220	1	32326	1
32059	1	32137	3	32221	1	32327	1
32060	1	32138	1	32222	1	32328	6
32061	1	32139	2	32223	1	32329	7
32062	1	32140	1	32224	1	32330	1
32063	1	32141	4	32225	1	32331	1
32064	1	32142	5	32226	1	32332	1
32065	1	32143	5	32227	3	32333	1
32066	1	32145	1	32228	3	32334	1
32067	1	32147	1	32229	1	32336	1
32068	1	32148	1	32231	1	32337	1
32071	1	32157	2	32232	1	32340	1
32073	1	32158	2	32233	3	32341	1
32079	1	32159	2	32234	1	32343	1
32080	4	32160	1	32235	1	32344	1
32081	1	32162	2	32236	1	32345	1
32082	3	32163	2	32238	1	32346	3
32083	1	32164	2	32239	1	32347	1
32084	3	32168	3	32240	3	32348	1
32085	3	32169	8	32241	1	32350	1
32086	2	32170	7	32244	1	32351	1
32087	1	32173	4	32245	1	32352	1
32091	1	32174	3	32246	1	32353	1
32092	1	32175	4	32247	1	32355	1
32094	1	32176	6	32250	3	32356	1
32095	2	32177	1	32254	1	32357	1
32096	1	32178	1	32255	1	32358	1
32097	1	32179	2	32256	1	32359	1
32099	1	32180	2	32257	1	32360	1

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ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group
32361	1	32502	11	32601	1	32704	3
32362	1	32503	8	32603	1	32706	2
32395	1	32504	7	32604	1	32707	2
32399	1	32505	6	32605	1	32708	2
32401	6	32506	6	32606	1	32709	3
32402	6	32507	9	32607	1	32710	3
32403	3	32508	9	32608	1	32712	3
32404	3	32509	4	32609	1	32713	2
32405	4	32511	6	32610	1	32714	2
32406	6	32512	6	32611	1	32715	2
32407	7	32513	8	32612	1	32716	2
32408	10	32514	5	32614	1	32718	2
32409	3	32516	6	32615	1	32719	2
32410	6	32520	10	32616	1	32720	2
32411	10	32521	11	32617	1	32721	2
32412	6	32522	11	32618	1	32722	2
32413	8	32523	8	32619	1	32723	2
32417	7	32524	8	32621	2	32724	2
32420	1	32526	4	32622	1	32725	2
32421	1	32530	3	32625	5	32726	3
32422	1	32531	2	32626	1	32727	3
32423	1	32533	3	32627	1	32728	2
32424	1	32534	4	32628	1	32730	2
32425	1	32535	1	32631	1	32732	3
32426	1	32536	2	32633	1	32733	2
32427	1	32537	2	32634	1	32735	3
32428	1	32538	1	32635	1	32736	2
32430	1	32539	2	32639	2	32738	2
32431	1	32540	10	32640	1	32739	2
32432	1	32541	10	32641	1	32744	2
32433	2	32542	6	32643	1	32745	2
32434	2	32544	10	32644	1	32746	2
32435	2	32547	6	32648	2	32747	3
32437	8	32548	9	32653	1	32750	2
32438	1	32549	9	32654	1	32751	3
32439	3	32550	11	32655	1	32752	2
32440	1	32559	4	32656	1	32753	2
32442	1	32560	3	32658	1	32754	4
32443	1	32561	13	32662	1	32756	3
32444	3	32562	11	32663	2	32757	3
32445	1	32563	10	32664	1	32759	5
32446	1	32564	2	32666	1	32762	2
32447	1	32565	2	32667	1	32763	2
32448	1	32566	8	32668	2	32764	2
32449	1	32567	1	32669	1	32765	2
32455	1	32568	2	32680	1	32766	3
32456	6	32569	10	32681	1	32767	2
32457	6	32570	2	32683	2	32768	3
32459	7	32571	3	32686	1	32771	3
32460	1	32572	3	32692	4	32772	3
32461	10	32577	3	32693	1	32773	3
32462	2	32578	5	32694	1	32774	2
32463	1	32579	7	32696	2	32775	4
32464	1	32580	5	32697	1	32776	2
32465	1	32583	3	32701	2	32777	3
32466	2	32588	5	32702	2	32778	4
32501	8	32591	8	32703	3	32779	2

ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group
32780	5	32861	3	32964	12	33062	22
32781	5	32862	3	32965	11	33063	10
32783	5	32867	2	32966	8	33064	17
32784	2	32868	3	32967	9	33065	11
32789	3	32869	3	32968	9	33066	11
32790	3	32872	3	32969	9	33067	11
32791	2	32877	3	32970	9	33068	11
32792	2	32878	3	32971	15	33069	13
32793	2	32885	3	32976	12	33070	25
32794	3	32886	3	32978	11	33071	11
32795	2	32891	3	33001	23	33072	13
32796	4	32896	3	33002	13	33073	11
32798	3	32899	6	33004	19	33074	17
32799	2	32901	9	33008	21	33075	11
32801	3	32902	9	33009	21	33076	8
32802	3	32903	12	33010	12	33077	11
32803	3	32904	6	33011	12	33081	13
32804	3	32905	9	33012	12	33082	9
32805	3	32906	9	33013	12	33083	13
32806	3	32907	5	33014	13	33084	12
32807	3	32908	6	33015	12	33090	15
32808	3	32909	6	33016	11	33092	16
32809	3	32910	5	33017	12	33093	11
32810	3	32911	9	33018	13	33097	11
32811	3	32912	9	33019	23	33101	20
32812	3	32919	9	33020	19	33102	12
32814	3	32920	12	33021	13	33106	20
32815	4	32922	6	33022	19	33109	25
32816	3	32923	6	33023	13	33112	12
32817	2	32924	6	33024	12	33114	15
32818	3	32925	12	33025	11	33116	15
32819	3	32926	4	33026	12	33119	24
32820	3	32927	4	33027	12	33122	12
32821	3	32931	14	33028	9	33124	20
32822	3	32932	14	33029	10	33125	16
32824	3	32934	6	33030	15	33126	14
32825	3	32935	8	33031	16	33127	18
32826	3	32936	8	33032	16	33128	20
32827	4	32937	11	33033	16	33129	22
32828	3	32940	7	33034	15	33130	21
32829	3	32941	9	33035	15	33131	21
32830	3	32948	6	33036	24	33132	21
32831	3	32949	11	33037	24	33133	19
32832	3	32950	9	33039	16	33134	15
32833	3	32951	14	33040	20	33135	17
32835	3	32952	9	33041	20	33136	18
32836	3	32953	6	33042	18	33137	19
32837	3	32954	6	33043	18	33138	19
32839	3	32955	6	33045	20	33139	24
32853	3	32956	6	33050	21	33140	24
32854	3	32957	11	33051	21	33141	24
32855	3	32958	11	33052	21	33142	15
32856	3	32959	4	33054	13	33143	17
32857	3	32960	12	33055	11	33144	14
32858	3	32961	12	33056	12	33145	18
32859	3	32962	11	33060	17	33146	18
32860	3	32963	16	33061	17	33147	14

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ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group
33149	25	33245	18	33388	11	33465	18
33150	16	33247	12	33394	19	33466	15
33152	12	33255	15	33401	19	33467	10
33153	19	33256	20	33402	21	33468	19
33154	23	33257	17	33403	18	33469	19
33155	15	33261	18	33404	18	33470	10
33156	18	33265	13	33405	20	33471	7
33157	17	33266	12	33406	15	33472	11
33158	20	33269	13	33407	17	33473	11
33160	23	33280	18	33408	19	33474	17
33161	18	33283	12	33409	14	33475	16
33162	17	33296	20	33410	15	33476	15
33163	22	33299	14	33411	10	33477	19
33164	17	33301	19	33412	9	33478	9
33165	13	33302	20	33413	10	33480	21
33166	12	33303	19	33414	10	33481	18
33167	14	33304	20	33415	11	33482	12
33168	15	33305	19	33416	15	33483	21
33169	13	33306	21	33417	11	33484	12
33170	16	33307	17	33418	11	33486	17
33172	13	33308	21	33419	18	33487	20
33173	14	33309	13	33420	15	33488	12
33174	13	33310	14	33421	10	33493	11
33175	12	33311	14	33422	16	33496	12
33176	15	33312	14	33424	17	33497	11
33177	14	33313	11	33425	17	33498	12
33178	13	33314	12	33426	17	33499	20
33179	16	33315	17	33427	17	33503	4
33180	22	33316	21	33428	11	33508	4
33181	20	33317	11	33429	22	33509	4
33182	14	33318	10	33430	11	33510	4
33183	12	33319	11	33431	18	33511	4
33184	12	33320	11	33432	22	33513	3
33185	14	33321	11	33433	12	33514	3
33186	13	33322	10	33434	12	33521	2
33187	15	33323	12	33435	21	33523	3
33188	13	33324	11	33436	14	33524	4
33189	18	33325	12	33437	11	33525	4
33190	18	33326	13	33438	15	33526	4
33191	18	33327	10	33440	10	33527	4
33192	13	33328	11	33441	19	33530	4
33193	13	33329	11	33442	13	33534	6
33194	15	33330	12	33443	19	33537	3
33195	20	33331	12	33444	20	33538	2
33196	14	33332	13	33445	15	33539	4
33197	17	33334	17	33446	11	33540	4
33198	11	33335	17	33448	11	33541	4
33199	13	33336	14	33449	11	33542	4
33206	20	33338	11	33454	11	33543	4
33222	12	33339	21	33455	16	33544	3
33231	21	33340	14	33458	13	33545	4
33233	19	33345	10	33459	11	33547	4
33234	15	33346	21	33460	22	33548	4
33238	16	33348	21	33461	15	33549	3
33239	24	33351	10	33462	18	33550	4
33242	15	33355	12	33463	11	33556	4
33243	17	33359	11	33464	22	33558	4

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ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group
33559	3	33631	6	33747	10	33840	4
33563	4	33633	5	33755	8	33841	4
33564	4	33634	6	33756	8	33843	5
33565	3	33635	5	33757	8	33844	4
33566	4	33637	4	33758	6	33845	4
33567	4	33646	6	33759	6	33846	4
33568	5	33647	3	33760	6	33847	4
33569	4	33650	6	33761	5	33848	3
33570	6	33655	6	33762	7	33849	3
33571	5	33660	5	33763	6	33850	4
33572	6	33661	5	33764	6	33851	4
33573	5	33662	5	33765	6	33852	6
33574	4	33663	6	33766	6	33853	5
33575	6	33672	6	33767	10	33854	4
33576	4	33673	5	33769	6	33855	4
33578	5	33674	5	33770	8	33856	4
33579	4	33675	6	33771	6	33857	6
33583	4	33677	6	33772	9	33858	3
33584	4	33679	8	33773	6	33859	4
33585	3	33680	5	33774	9	33860	4
33586	6	33681	9	33775	9	33862	6
33587	4	33682	4	33776	10	33863	4
33592	3	33684	6	33777	7	33865	5
33593	3	33685	6	33778	7	33867	4
33594	3	33687	3	33779	8	33868	3
33595	3	33688	3	33780	6	33870	5
33596	3	33689	4	33781	6	33871	5
33597	3	33694	4	33782	5	33872	5
33598	5	33701	10	33784	7	33873	4
33601	6	33702	7	33785	11	33875	5
33602	6	33703	9	33786	11	33876	6
33603	5	33704	9	33801	4	33877	4
33604	5	33705	11	33802	4	33880	4
33605	6	33706	12	33803	4	33881	4
33606	8	33707	11	33804	4	33882	4
33607	6	33708	12	33805	4	33883	4
33608	9	33709	7	33806	4	33884	4
33609	7	33710	8	33807	4	33885	4
33610	5	33711	10	33809	4	33888	4
33611	9	33712	11	33810	3	33890	4
33612	4	33713	7	33811	4	33896	3
33613	3	33714	7	33812	4	33897	3
33614	5	33715	13	33813	4	33898	4
33615	6	33716	6	33815	4	33901	7
33616	10	33729	7	33820	4	33902	7
33617	3	33730	7	33823	4	33903	7
33618	3	33731	10	33825	5	33904	8
33619	6	33732	6	33826	5	33905	7
33620	3	33733	7	33827	5	33906	6
33621	10	33734	9	33830	4	33907	7
33622	6	33736	12	33831	4	33908	9
33623	6	33738	12	33834	5	33909	7
33624	4	33740	9	33835	4	33910	7
33625	4	33741	12	33836	3	33911	7
33626	4	33742	6	33837	3	33912	7
33629	8	33743	8	33838	4	33913	7
33630	6	33744	12	33839	4	33914	8

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2019 Rating Group Definitions by ZIP Code

ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group	ZIP Code	2019 Group
33915	7	34107	16	34239	9	34453	2
33916	6	34108	14	34240	5	34460	2
33917	6	34109	9	34241	6	34461	2
33918	6	34110	10	34242	11	34464	2
33919	7	34112	11	34243	6	34465	2
33920	6	34113	10	34249	7	34470	2
33921	16	34114	9	34250	7	34471	2
33922	12	34116	8	34251	5	34472	2
33924	17	34117	7	34260	8	34473	2
33927	6	34119	7	34264	8	34474	2
33928	8	34120	7	34265	5	34475	2
33929	8	34133	10	34266	5	34476	2
33930	6	34134	11	34267	5	34477	2
33931	14	34135	8	34268	5	34478	2
33932	14	34136	11	34269	5	34479	2
33935	6	34137	10	34270	6	34480	2
33936	8	34138	10	34272	9	34481	2
33938	5	34139	10	34274	9	34482	2
33944	7	34140	15	34275	9	34483	2
33945	12	34141	10	34276	10	34484	2
33946	12	34142	8	34277	10	34487	2
33947	9	34143	7	34278	7	34488	1
33948	7	34145	17	34280	9	34489	2
33949	7	34146	17	34281	8	34491	2
33950	7	34201	5	34282	8	34492	2
33951	7	34202	5	34284	10	34498	3
33952	6	34203	5	34285	10	34601	2
33953	6	34204	5	34286	5	34602	3
33954	5	34205	7	34287	6	34603	3
33955	7	34206	7	34288	5	34604	3
33956	13	34207	8	34289	5	34605	3
33957	15	34208	6	34290	6	34606	4
33960	6	34209	9	34291	5	34607	5
33965	8	34210	9	34292	6	34608	3
33966	6	34211	5	34293	8	34609	3
33967	8	34212	5	34295	11	34610	4
33970	8	34215	13	34420	2	34611	4
33971	7	34216	13	34421	2	34613	3
33972	7	34217	14	34423	2	34614	3
33973	8	34218	13	34428	2	34636	2
33974	8	34219	5	34429	2	34637	4
33975	6	34220	7	34430	2	34638	4
33976	7	34221	7	34431	2	34639	3
33980	6	34222	6	34432	2	34652	6
33981	8	34223	11	34433	2	34653	5
33982	6	34224	9	34434	2	34654	3
33983	6	34228	13	34436	2	34655	4
33990	7	34229	10	34441	2	34656	5
33991	7	34230	10	34442	2	34660	8
33993	8	34231	10	34445	2	34661	2
33994	6	34232	5	34446	2	34667	6
34101	16	34233	6	34447	2	34668	6
34102	16	34234	7	34448	2	34669	4
34103	15	34235	5	34449	2	34673	6
34104	9	34236	10	34450	2	34674	6
34105	11	34237	7	34451	2	34677	5
34106	16	34238	7	34452	2	34679	6

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2019 Rating Group Definitions by ZIP Code

ZIP Code	2019 Group	ZIP Code	2019 Group
34680	5	34945	8
34681	8	34946	13
34682	6	34947	11
34683	6	34948	15
34684	5	34949	18
34685	4	34950	15
34688	4	34951	10
34689	8	34952	12
34690	5	34953	9
34691	7	34954	10
34692	5	34956	10
34695	6	34957	17
34697	7	34958	17
34698	7	34972	7
34705	3	34973	7
34711	4	34974	10
34712	4	34979	15
34713	3	34981	10
34714	3	34982	13
34715	4	34983	9
34729	4	34984	9
34731	3	34985	12
34734	3	34986	8
34736	3	34987	9
34737	3	34988	9
34739	5	34990	10
34740	5	34991	13
34741	3	34992	17
34742	3	34994	14
34743	4	34995	14
34744	4	34996	18
34745	3	34997	13
34746	4		
34747	3		
34748	3		
34749	3		
34753	3		
34755	4		
34756	4		
34758	3		
34759	3		
34760	5		
34761	3		
34762	3		
34769	5		
34770	5		
34771	4		
34772	4		
34773	4		
34777	5		
34778	5		
34785	2		
34786	3		
34787	4		
34788	3		
34789	3		
34797	3		

EXHIBIT

XIV

PROPOSED FHCF 2019 Commercial Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 90%

Deductible: 3%

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0937	0.0880	0.0709	0.0558	0.0427	0.0337	0.0650
2	0.1764	0.1657	0.1335	0.1051	0.0804	0.0634	0.1223
3	0.2546	0.2392	0.1927	0.1517	0.1160	0.0915	0.1766
4	0.3348	0.3144	0.2533	0.1995	0.1526	0.1203	0.2322
5	0.4171	0.3917	0.3156	0.2485	0.1901	0.1499	0.2892
6	0.5018	0.4712	0.3797	0.2990	0.2287	0.1803	0.3480
7	0.5891	0.5533	0.4458	0.3510	0.2685	0.2117	0.4086
8	0.6796	0.6383	0.5143	0.4049	0.3097	0.2443	0.4713
9	0.7735	0.7265	0.5853	0.4609	0.3525	0.2780	0.5364
10	0.8714	0.8184	0.6594	0.5192	0.3971	0.3132	0.6043
11	0.9737	0.9145	0.7368	0.5801	0.4437	0.3499	0.6753
12	1.0811	1.0153	0.8181	0.6441	0.4927	0.3886	0.7498
13	1.1944	1.1217	0.9038	0.7116	0.5443	0.4293	0.8283
14	1.3143	1.2343	0.9945	0.7831	0.5990	0.4724	0.9115
15	1.4418	1.3541	1.0911	0.8590	0.6571	0.5182	0.9999
16	1.5781	1.4822	1.1942	0.9403	0.7192	0.5672	1.0945
17	1.7245	1.6196	1.3050	1.0275	0.7859	0.6198	1.1960
18	1.8824	1.7679	1.4244	1.1215	0.8579	0.6765	1.3055
19	2.0536	1.9287	1.5540	1.2235	0.9359	0.7381	1.4242
20	2.2400	2.1038	1.6951	1.3346	1.0208	0.8051	1.5535
21	2.4440	2.2954	1.8494	1.4562	1.1138	0.8784	1.6949
22	2.6683	2.5060	2.0191	1.5898	1.2160	0.9590	1.8505
23	2.9158	2.7385	2.2065	1.7373	1.3288	1.0480	2.0222
24	3.1903	2.9963	2.4142	1.9008	1.4539	1.1466	2.2125
25	3.4957	3.2831	2.6453	2.0828	1.5931	1.2564	2.4244

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

PROPOSED FHCF 2019 Commercial Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 75%

Deductible: 3%

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0781	0.0733	0.0591	0.0465	0.0356	0.0281	0.0541
2	0.1470	0.1381	0.1112	0.0876	0.0670	0.0528	0.1019
3	0.2122	0.1993	0.1606	0.1264	0.0967	0.0763	0.1472
4	0.2790	0.2620	0.2111	0.1662	0.1271	0.1003	0.1935
5	0.3476	0.3264	0.2630	0.2071	0.1584	0.1249	0.2410
6	0.4181	0.3927	0.3164	0.2491	0.1906	0.1503	0.2900
7	0.4910	0.4611	0.3715	0.2925	0.2237	0.1765	0.3405
8	0.5663	0.5319	0.4286	0.3374	0.2581	0.2035	0.3928
9	0.6446	0.6054	0.4878	0.3841	0.2938	0.2317	0.4470
10	0.7261	0.6820	0.5495	0.4326	0.3309	0.2610	0.5036
11	0.8114	0.7620	0.6140	0.4834	0.3698	0.2916	0.5627
12	0.9009	0.8461	0.6817	0.5368	0.4106	0.3238	0.6248
13	0.9953	0.9348	0.7532	0.5930	0.4536	0.3577	0.6903
14	1.0952	1.0286	0.8288	0.6525	0.4991	0.3936	0.7596
15	1.2015	1.1284	0.9092	0.7159	0.5476	0.4318	0.8333
16	1.3151	1.2351	0.9952	0.7836	0.5993	0.4727	0.9120
17	1.4371	1.3497	1.0875	0.8562	0.6549	0.5165	0.9966
18	1.5687	1.4732	1.1870	0.9346	0.7149	0.5638	1.0879
19	1.7113	1.6072	1.2950	1.0196	0.7799	0.6150	1.1868
20	1.8667	1.7531	1.4125	1.1122	0.8507	0.6709	1.2946
21	2.0367	1.9128	1.5412	1.2135	0.9282	0.7320	1.4125
22	2.2235	2.0883	1.6826	1.3248	1.0133	0.7992	1.5421
23	2.4299	2.2821	1.8387	1.4477	1.1074	0.8733	1.6851
24	2.6586	2.4969	2.0118	1.5840	1.2116	0.9555	1.8438
25	2.9131	2.7360	2.2044	1.7357	1.3276	1.0470	2.0203

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

PROPOSED FHCF 2019 Commercial Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 45%

Deductible: 3%

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0468	0.0440	0.0354	0.0279	0.0213	0.0168	0.0325
2	0.0882	0.0828	0.0667	0.0526	0.0402	0.0317	0.0612
3	0.1273	0.1196	0.0963	0.0759	0.0580	0.0458	0.0883
4	0.1674	0.1572	0.1267	0.0997	0.0763	0.0602	0.1161
5	0.2085	0.1959	0.1578	0.1242	0.0950	0.0749	0.1446
6	0.2509	0.2356	0.1898	0.1495	0.1143	0.0902	0.1740
7	0.2946	0.2767	0.2229	0.1755	0.1342	0.1059	0.2043
8	0.3398	0.3191	0.2571	0.2025	0.1549	0.1221	0.2357
9	0.3868	0.3632	0.2927	0.2304	0.1763	0.1390	0.2682
10	0.4357	0.4092	0.3297	0.2596	0.1986	0.1566	0.3021
11	0.4868	0.4572	0.3684	0.2901	0.2219	0.1750	0.3376
12	0.5405	0.5077	0.4090	0.3221	0.2463	0.1943	0.3749
13	0.5972	0.5609	0.4519	0.3558	0.2722	0.2146	0.4142
14	0.6571	0.6172	0.4973	0.3915	0.2995	0.2362	0.4557
15	0.7209	0.6771	0.5455	0.4295	0.3285	0.2591	0.5000
16	0.7891	0.7411	0.5971	0.4701	0.3596	0.2836	0.5472
17	0.8622	0.8098	0.6525	0.5137	0.3930	0.3099	0.5980
18	0.9412	0.8839	0.7122	0.5608	0.4289	0.3383	0.6527
19	1.0268	0.9643	0.7770	0.6118	0.4679	0.3690	0.7121
20	1.1200	1.0519	0.8475	0.6673	0.5104	0.4025	0.7767
21	1.2220	1.1477	0.9247	0.7281	0.5569	0.4392	0.8475
22	1.3341	1.2530	1.0096	0.7949	0.6080	0.4795	0.9252
23	1.4579	1.3692	1.1032	0.8686	0.6644	0.5240	1.0111
24	1.5951	1.4981	1.2071	0.9504	0.7270	0.5733	1.1063
25	1.7479	1.6416	1.3227	1.0414	0.7966	0.6282	1.2122

PROPOSED FHCF 2019 Residential Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 90%

Deductible: 2%

ZIP Code Group	Frame	Masonry Veneer	Masonry	Non-MH Default Unknown
1	0.1053	0.0988	0.0791	0.1053
2	0.1984	0.1860	0.1490	0.1983
3	0.2864	0.2685	0.2150	0.2862
4	0.3765	0.3530	0.2827	0.3763
5	0.4690	0.4398	0.3522	0.4688
6	0.5643	0.5291	0.4237	0.5640
7	0.6625	0.6212	0.4975	0.6622
8	0.7643	0.7166	0.5739	0.7639
9	0.8699	0.8156	0.6532	0.8694
10	0.9799	0.9188	0.7358	0.9794
11	1.0950	1.0267	0.8222	1.0944
12	1.2158	1.1399	0.9129	1.2152
13	1.3431	1.2594	1.0085	1.3425
14	1.4780	1.3858	1.1098	1.4773
15	1.6214	1.5203	1.2175	1.6206
16	1.7747	1.6640	1.3326	1.7738
17	1.9393	1.8184	1.4562	1.9384
18	2.1169	1.9848	1.5895	2.1158
19	2.3094	2.1653	1.7341	2.3082
20	2.5190	2.3619	1.8915	2.5178
21	2.7485	2.5770	2.0638	2.7471
22	3.0006	2.8135	2.2531	2.9992
23	3.2791	3.0745	2.4622	3.2774
24	3.5877	3.3639	2.6940	3.5859
25	3.9312	3.6860	2.9519	3.9293

PROPOSED FHCF 2019 Residential Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 75%

Deductible: 2%

ZIP Code Group	Frame	Masonry Veneer	Masonry	Non-MH Default Unknown
1	0.0878	0.0823	0.0659	0.0877
2	0.1653	0.1550	0.1241	0.1652
3	0.2386	0.2237	0.1792	0.2385
4	0.3137	0.2942	0.2356	0.3136
5	0.3909	0.3665	0.2935	0.3907
6	0.4702	0.4409	0.3531	0.4700
7	0.5521	0.5177	0.4146	0.5518
8	0.6369	0.5972	0.4782	0.6366
9	0.7249	0.6797	0.5443	0.7245
10	0.8166	0.7657	0.6132	0.8162
11	0.9125	0.8556	0.6852	0.9120
12	1.0131	0.9500	0.7608	1.0126
13	1.1193	1.0495	0.8404	1.1187
14	1.2317	1.1548	0.9248	1.2311
15	1.3512	1.2669	1.0146	1.3505
16	1.4789	1.3867	1.1105	1.4782
17	1.6161	1.5153	1.2135	1.6153
18	1.7641	1.6540	1.3246	1.7632
19	1.9245	1.8044	1.4451	1.9235
20	2.0992	1.9683	1.5762	2.0982
21	2.2904	2.1475	1.7198	2.2892
22	2.5005	2.3446	1.8776	2.4993
23	2.7326	2.5621	2.0518	2.7312
24	2.9898	2.8033	2.2450	2.9883
25	3.2760	3.0717	2.4599	3.2744

PROPOSED FHCF 2019 Residential Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 45%

Deductible: 2%

ZIP Code Group	Frame	Masonry Veneer	Masonry	Non-MH Default Unknown
1	0.0527	0.0494	0.0395	0.0526
2	0.0992	0.0930	0.0745	0.0991
3	0.1432	0.1342	0.1075	0.1431
4	0.1882	0.1765	0.1414	0.1882
5	0.2345	0.2199	0.1761	0.2344
6	0.2821	0.2645	0.2118	0.2820
7	0.3313	0.3106	0.2487	0.3311
8	0.3821	0.3583	0.2869	0.3819
9	0.4349	0.4078	0.3266	0.4347
10	0.4900	0.4594	0.3679	0.4897
11	0.5475	0.5133	0.4111	0.5472
12	0.6079	0.5700	0.4565	0.6076
13	0.6716	0.6297	0.5043	0.6712
14	0.7390	0.6929	0.5549	0.7386
15	0.8107	0.7602	0.6088	0.8103
16	0.8874	0.8320	0.6663	0.8869
17	0.9697	0.9092	0.7281	0.9692
18	1.0584	0.9924	0.7948	1.0579
19	1.1547	1.0827	0.8670	1.1541
20	1.2595	1.1810	0.9457	1.2589
21	1.3742	1.2885	1.0319	1.3735
22	1.5003	1.4067	1.1266	1.4996
23	1.6395	1.5373	1.2311	1.6387
24	1.7939	1.6820	1.3470	1.7930
25	1.9656	1.8430	1.4759	1.9646

PROPOSED FHCF 2019 Mobile Home Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 90%

Deductible: $251 - $500

ZIP Code	Fully Tied Down -- Manufactured		Other than Fully Tied
Group	Prior to 7/13/94	On or After 7/13/94	Unknown
1	0.4424	0.4328	0.6189
2	0.8331	0.8151	1.1656
3	1.2026	1.1766	1.6826
4	1.5811	1.5469	2.2122
5	1.9697	1.9271	2.7559
6	2.3697	2.3184	3.3155
7	2.7824	2.7222	3.8930
8	3.2095	3.1401	4.4907
9	3.6531	3.5740	5.1112
10	4.1152	4.0261	5.7578
11	4.5984	4.4989	6.4339
12	5.1057	4.9952	7.1437
13	5.6406	5.5185	7.8921
14	6.2069	6.0726	8.6845
15	6.8093	6.6620	9.5273
16	7.4531	7.2918	10.4280
17	8.1442	7.9680	11.3951
18	8.8900	8.6976	12.4384
19	9.6983	9.4885	13.5695
20	10.5788	10.3499	14.8014
21	11.5423	11.2925	16.1495
22	12.6014	12.3287	17.6313
23	13.7706	13.4726	19.2673
24	15.0668	14.7408	21.0808
25	16.5094	16.1522	23.0993

PROPOSED FHCF 2019 Mobile Home Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 75%

Deductible: $251 - $500

ZIP Code	Fully Tied Down -- Manufactured		Other than Fully Tied
Group	Prior to 7/13/94	On or After 7/13/94	Unknown
1	0.3686	0.3607	0.5158
2	0.6942	0.6792	0.9714
3	1.0022	0.9805	1.4022
4	1.3176	1.2891	1.8435
5	1.6414	1.6059	2.2966
6	1.9747	1.9320	2.7629
7	2.3186	2.2685	3.2442
8	2.6746	2.6167	3.7422
9	3.0442	2.9783	4.2593
10	3.4293	3.3551	4.7981
11	3.8320	3.7491	5.3616
12	4.2548	4.1627	5.9531
13	4.7005	4.5988	6.5767
14	5.1724	5.0605	7.2370
15	5.6744	5.5516	7.9394
16	6.2109	6.0765	8.6900
17	6.7869	6.6400	9.4959
18	7.4083	7.2480	10.3654
19	8.0819	7.9071	11.3079
20	8.8157	8.6249	12.3345
21	9.6186	9.4104	13.4579
22	10.5011	10.2739	14.6928
23	11.4755	11.2272	16.0561
24	12.5557	12.2840	17.5674
25	13.7578	13.4601	19.2494

PROPOSED FHCF 2019 Mobile Home Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 45%

Deductible: $251 - $500

ZIP Code	Fully Tied Down -- Manufactured		Other than Fully Tied
Group	Prior to 7/13/94	On or After 7/13/94	Unknown
1	0.2212	0.2164	0.3095
2	0.4165	0.4075	0.5828
3	0.6013	0.5883	0.8413
4	0.7905	0.7734	1.1061
5	0.9849	0.9635	1.3780
6	1.1848	1.1592	1.6578
7	1.3912	1.3611	1.9465
8	1.6048	1.5700	2.2453
9	1.8265	1.7870	2.5556
10	2.0576	2.0131	2.8789
11	2.2992	2.2494	3.2169
12	2.5529	2.4976	3.5719
13	2.8203	2.7593	3.9460
14	3.1035	3.0363	4.3422
15	3.4047	3.3310	4.7637
16	3.7265	3.6459	5.2140
17	4.0721	3.9840	5.6975
18	4.4450	4.3488	6.2192
19	4.8492	4.7442	6.7848
20	5.2894	5.1750	7.4007
21	5.7711	5.6463	8.0748
22	6.3007	6.1644	8.8157
23	6.8853	6.7363	9.6336
24	7.5334	7.3704	10.5404
25	8.2547	8.0761	11.5496

PROPOSED FHCF 2019 Tenants Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 90%

Deductible: $1 - $500

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0576	0.0554	0.0439	0.0373	0.0294	0.0257	0.0427
2	0.1084	0.1043	0.0826	0.0702	0.0554	0.0485	0.0803
3	0.1565	0.1506	0.1193	0.1013	0.0800	0.0700	0.1160
4	0.2058	0.1980	0.1568	0.1332	0.1052	0.0920	0.1525
5	0.2564	0.2467	0.1954	0.1659	0.1310	0.1146	0.1900
6	0.3085	0.2968	0.2350	0.1996	0.1577	0.1379	0.2285
7	0.3622	0.3485	0.2760	0.2344	0.1851	0.1619	0.2683
8	0.4178	0.4020	0.3184	0.2704	0.2135	0.1867	0.3095
9	0.4755	0.4575	0.3624	0.3077	0.2430	0.2125	0.3523
10	0.5357	0.5154	0.4082	0.3467	0.2738	0.2394	0.3969
11	0.5986	0.5759	0.4561	0.3874	0.3059	0.2675	0.4435
12	0.6646	0.6395	0.5064	0.4301	0.3397	0.2970	0.4924
13	0.7342	0.7064	0.5595	0.4752	0.3753	0.3281	0.5440
14	0.8080	0.7774	0.6157	0.5229	0.4129	0.3611	0.5986
15	0.8864	0.8528	0.6754	0.5736	0.4530	0.3961	0.6567
16	0.9702	0.9334	0.7393	0.6278	0.4958	0.4336	0.7188
17	1.0602	1.0200	0.8078	0.6861	0.5418	0.4738	0.7854
18	1.1572	1.1134	0.8818	0.7489	0.5914	0.5172	0.8573
19	1.2625	1.2147	0.9620	0.8170	0.6452	0.5642	0.9353
20	1.3771	1.3249	1.0493	0.8912	0.7038	0.6154	1.0202
21	1.5025	1.4456	1.1449	0.9723	0.7679	0.6715	1.1131
22	1.6404	1.5782	1.2500	1.0615	0.8384	0.7331	1.2153
23	1.7926	1.7247	1.3659	1.1600	0.9161	0.8011	1.3280
24	1.9613	1.8870	1.4945	1.2692	1.0024	0.8765	1.4530
25	2.1491	2.0677	1.6376	1.3908	1.0984	0.9604	1.5921

PROPOSED FHCF 2019 Tenants Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 75%

Deductible: $1 - $500

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0480	0.0462	0.0366	0.0311	0.0245	0.0214	0.0356
2	0.0904	0.0869	0.0689	0.0585	0.0462	0.0404	0.0670
3	0.1305	0.1255	0.0994	0.0844	0.0667	0.0583	0.0966
4	0.1715	0.1650	0.1307	0.1110	0.0877	0.0766	0.1271
5	0.2137	0.2056	0.1628	0.1383	0.1092	0.0955	0.1583
6	0.2571	0.2473	0.1959	0.1664	0.1314	0.1149	0.1904
7	0.3018	0.2904	0.2300	0.1953	0.1543	0.1349	0.2236
8	0.3482	0.3350	0.2653	0.2253	0.1779	0.1556	0.2579
9	0.3963	0.3813	0.3020	0.2564	0.2025	0.1771	0.2936
10	0.4464	0.4295	0.3402	0.2889	0.2281	0.1995	0.3307
11	0.4988	0.4799	0.3801	0.3228	0.2549	0.2229	0.3696
12	0.5539	0.5329	0.4220	0.3584	0.2831	0.2475	0.4103
13	0.6119	0.5887	0.4662	0.3960	0.3127	0.2734	0.4533
14	0.6733	0.6478	0.5131	0.4357	0.3441	0.3009	0.4988
15	0.7387	0.7107	0.5629	0.4780	0.3775	0.3301	0.5472
16	0.8085	0.7779	0.6161	0.5232	0.4132	0.3613	0.5990
17	0.8835	0.8500	0.6732	0.5717	0.4515	0.3948	0.6545
18	0.9644	0.9278	0.7348	0.6241	0.4929	0.4310	0.7144
19	1.0520	1.0122	0.8017	0.6808	0.5377	0.4702	0.7794
20	1.1476	1.1041	0.8744	0.7426	0.5865	0.5128	0.8502
21	1.2521	1.2047	0.9541	0.8103	0.6399	0.5595	0.9276
22	1.3670	1.3152	1.0416	0.8846	0.6986	0.6109	1.0127
23	1.4938	1.4372	1.1383	0.9667	0.7635	0.6676	1.1067
24	1.6344	1.5725	1.2454	1.0577	0.8353	0.7304	1.2109
25	1.7909	1.7231	1.3647	1.1590	0.9153	0.8003	1.3268

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

PROPOSED FHCF 2019 Tenants Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 45%

Deductible: $1 - $500

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0288	0.0277	0.0219	0.0186	0.0147	0.0129	0.0213
2	0.0542	0.0522	0.0413	0.0351	0.0277	0.0242	0.0402
3	0.0783	0.0753	0.0596	0.0507	0.0400	0.0350	0.0580
4	0.1029	0.0990	0.0784	0.0666	0.0526	0.0460	0.0762
5	0.1282	0.1233	0.0977	0.0830	0.0655	0.0573	0.0950
6	0.1542	0.1484	0.1175	0.0998	0.0788	0.0689	0.1143
7	0.1811	0.1742	0.1380	0.1172	0.0926	0.0809	0.1342
8	0.2089	0.2010	0.1592	0.1352	0.1068	0.0934	0.1548
9	0.2378	0.2288	0.1812	0.1539	0.1215	0.1063	0.1761
10	0.2678	0.2577	0.2041	0.1733	0.1369	0.1197	0.1984
11	0.2993	0.2880	0.2281	0.1937	0.1530	0.1338	0.2217
12	0.3323	0.3197	0.2532	0.2151	0.1698	0.1485	0.2462
13	0.3671	0.3532	0.2797	0.2376	0.1876	0.1641	0.2720
14	0.4040	0.3887	0.3078	0.2614	0.2065	0.1805	0.2993
15	0.4432	0.4264	0.3377	0.2868	0.2265	0.1981	0.3283
16	0.4851	0.4667	0.3696	0.3139	0.2479	0.2168	0.3594
17	0.5301	0.5100	0.4039	0.3430	0.2709	0.2369	0.3927
18	0.5786	0.5567	0.4409	0.3744	0.2957	0.2586	0.4287
19	0.6312	0.6073	0.4810	0.4085	0.3226	0.2821	0.4676
20	0.6885	0.6625	0.5247	0.4456	0.3519	0.3077	0.5101
21	0.7512	0.7228	0.5724	0.4862	0.3840	0.3357	0.5566
22	0.8202	0.7891	0.6250	0.5308	0.4192	0.3665	0.6076
23	0.8963	0.8623	0.6830	0.5800	0.4581	0.4005	0.6640
24	0.9806	0.9435	0.7473	0.6346	0.5012	0.4382	0.7265
25	1.0745	1.0338	0.8188	0.6954	0.5492	0.4802	0.7961

PROPOSED FHCF 2019 Condominium Unit Owners Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 90%

Deductible: $1 - $500

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.1178	0.1020	0.0858	0.0615	0.0545	0.0407	0.0793
2	0.2219	0.1921	0.1616	0.1158	0.1026	0.0766	0.1494
3	0.3204	0.2773	0.2333	0.1671	0.1482	0.1105	0.2157
4	0.4212	0.3646	0.3067	0.2197	0.1948	0.1453	0.2836
5	0.5247	0.4543	0.3821	0.2737	0.2427	0.1810	0.3533
6	0.6313	0.5465	0.4597	0.3293	0.2920	0.2178	0.4250
7	0.7412	0.6417	0.5398	0.3867	0.3428	0.2557	0.4990
8	0.8550	0.7402	0.6226	0.4460	0.3955	0.2950	0.5757
9	0.9732	0.8425	0.7087	0.5077	0.4501	0.3358	0.6552
10	1.0963	0.9490	0.7983	0.5719	0.5070	0.3782	0.7381
11	1.2250	1.0605	0.8921	0.6391	0.5666	0.4226	0.8248
12	1.3602	1.1775	0.9905	0.7096	0.6291	0.4693	0.9158
13	1.5027	1.3008	1.0943	0.7839	0.6950	0.5184	1.0117
14	1.6535	1.4314	1.2041	0.8626	0.7648	0.5705	1.1133
15	1.8140	1.5704	1.3210	0.9463	0.8390	0.6258	1.2213
16	1.9855	1.7188	1.4459	1.0358	0.9183	0.6850	1.3368
17	2.1697	1.8782	1.5800	1.1318	1.0035	0.7485	1.4607
18	2.3683	2.0502	1.7246	1.2355	1.0954	0.8171	1.5945
19	2.5837	2.2366	1.8815	1.3478	1.1950	0.8914	1.7395
20	2.8182	2.4397	2.0523	1.4702	1.3035	0.9723	1.8974
21	3.0749	2.6619	2.2392	1.6041	1.4222	1.0608	2.0702
22	3.3570	2.9061	2.4446	1.7513	1.5527	1.1582	2.2602
23	3.6685	3.1758	2.6715	1.9138	1.6967	1.2656	2.4699
24	4.0138	3.4747	2.9229	2.0939	1.8564	1.3848	2.7024
25	4.3982	3.8074	3.2028	2.2944	2.0342	1.5174	2.9611

PROPOSED FHCF 2019 Condominium Unit Owners Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: **75%**

Deductible: $1 - $500

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0982	0.0850	0.0715	0.0512	0.0454	0.0339	0.0661
2	0.1849	0.1601	0.1347	0.0965	0.0855	0.0638	0.1245
3	0.2670	0.2311	0.1944	0.1393	0.1235	0.0921	0.1797
4	0.3510	0.3039	0.2556	0.1831	0.1623	0.1211	0.2363
5	0.4373	0.3785	0.3184	0.2281	0.2022	0.1509	0.2944
6	0.5261	0.4554	0.3831	0.2744	0.2433	0.1815	0.3542
7	0.6177	0.5347	0.4498	0.3222	0.2857	0.2131	0.4159
8	0.7125	0.6168	0.5189	0.3717	0.3296	0.2458	0.4797
9	0.8110	0.7021	0.5906	0.4231	0.3751	0.2798	0.5460
10	0.9136	0.7909	0.6653	0.4766	0.4225	0.3152	0.6151
11	1.0209	0.8837	0.7434	0.5325	0.4722	0.3522	0.6873
12	1.1335	0.9812	0.8254	0.5913	0.5242	0.3911	0.7631
13	1.2522	1.0840	0.9119	0.6532	0.5792	0.4320	0.8431
14	1.3780	1.1929	1.0034	0.7188	0.6373	0.4754	0.9277
15	1.5117	1.3086	1.1008	0.7886	0.6992	0.5215	1.0178
16	1.6546	1.4324	1.2049	0.8632	0.7653	0.5708	1.1140
17	1.8080	1.5652	1.3166	0.9432	0.8362	0.6238	1.2173
18	1.9736	1.7085	1.4372	1.0296	0.9128	0.6809	1.3287
19	2.1531	1.8639	1.5679	1.1232	0.9958	0.7428	1.4496
20	2.3485	2.0331	1.7102	1.2252	1.0862	0.8102	1.5812
21	2.5624	2.2182	1.8660	1.3367	1.1851	0.8840	1.7252
22	2.7975	2.4218	2.0372	1.4594	1.2939	0.9652	1.8835
23	3.0571	2.6465	2.2262	1.5948	1.4139	1.0547	2.0582
24	3.3449	2.8956	2.4358	1.7449	1.5470	1.1540	2.2520
25	3.6651	3.1729	2.6690	1.9120	1.6952	1.2645	2.4676

PROPOSED FHCF 2019 Condominium Unit Owners Rates (Not Yet Approved by FHCF Trustees for Use)

Rates are Dollars per $1000 of Exposure

Coverage Level: 45%

Deductible: $1 - $500

ZIP Code Group	Frame	Masonry Veneer	Masonry	Masonry with Reinforced Concrete Roof Deck	Superior	Superior with Reinforced Concrete Roof Deck	Non-MH Default and Unknown
1	0.0589	0.0510	0.0429	0.0307	0.0273	0.0203	0.0397
2	0.1110	0.0961	0.0808	0.0579	0.0513	0.0383	0.0747
3	0.1602	0.1387	0.1166	0.0836	0.0741	0.0553	0.1078
4	0.2106	0.1823	0.1534	0.1099	0.0974	0.0727	0.1418
5	0.2624	0.2271	0.1911	0.1369	0.1213	0.0905	0.1766
6	0.3156	0.2732	0.2299	0.1647	0.1460	0.1089	0.2125
7	0.3706	0.3208	0.2699	0.1933	0.1714	0.1279	0.2495
8	0.4275	0.3701	0.3113	0.2230	0.1977	0.1475	0.2878
9	0.4866	0.4212	0.3543	0.2538	0.2251	0.1679	0.3276
10	0.5481	0.4745	0.3992	0.2860	0.2535	0.1891	0.3690
11	0.6125	0.5302	0.4460	0.3195	0.2833	0.2113	0.4124
12	0.6801	0.5887	0.4952	0.3548	0.3145	0.2346	0.4579
13	0.7513	0.6504	0.5471	0.3919	0.3475	0.2592	0.5058
14	0.8268	0.7157	0.6021	0.4313	0.3824	0.2852	0.5566
15	0.9070	0.7852	0.6605	0.4732	0.4195	0.3129	0.6107
16	0.9928	0.8594	0.7229	0.5179	0.4592	0.3425	0.6684
17	1.0848	0.9391	0.7900	0.5659	0.5017	0.3743	0.7304
18	1.1842	1.0251	0.8623	0.6177	0.5477	0.4085	0.7972
19	1.2918	1.1183	0.9407	0.6739	0.5975	0.4457	0.8697
20	1.4091	1.2198	1.0261	0.7351	0.6517	0.4861	0.9487
21	1.5375	1.3309	1.1196	0.8020	0.7111	0.5304	1.0351
22	1.6785	1.4531	1.2223	0.8756	0.7763	0.5791	1.1301
23	1.8343	1.5879	1.3357	0.9569	0.8484	0.6328	1.2349
24	2.0069	1.7374	1.4615	1.0470	0.9282	0.6924	1.3512
25	2.1991	1.9037	1.6014	1.1472	1.0171	0.7587	1.4805

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Windstorm Mitigation Construction Rating Classification Factors

To Calculate the Final FHCF Rate for a risk:

Preliminary factor = (year built factor) x (roof shape factor) x (opening protection factor)
Capped factor = Preliminary Factor*

Final rate = (Base rate) x (Capped factor) x (On balance factor)

**Capped factor = 100% of Preliminary Factor (i.e. no cap in current factors)*

Rating Factor	Description	Type of Business: Commercial	Residential	Mobile Home	Tenants	Condos
Year Built	**2012 or later**	0.3916	0.4407	1.0000	0.4648	0.4430
	2002 - 2011	0.4153	0.4731	1.0000	0.4949	0.4685
	1995-2001	0.6373	0.7467	1.0000	0.7682	0.7356
	1994 or Earlier	1.2883	1.4456	1.0000	1.4525	1.3714
	Unknown or Mobile Home	1.0635	1.0513	1.0000	1.0833	1.0430
Roof Shape	**Hip, Mansard, or Pyramid**	0.8622	0.8446	1.0000	0.7909	0.8035
	Gable, Other or Unknown	1.0440	1.1206	1.0000	1.0211	1.0378
Opening Protection	**Structure Opening Protection****	0.8110	0.8501	1.0000	0.7479	0.7997
	No Structure Opening Protection	1.0576	1.0975	1.0000	1.0115	1.1168
On Balance Factor		0.9779	0.9647	1.0000	0.9954	0.9800

**Structure Opening Protection Credit requires that primary policy has structure opening protection credit.

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

EXHIBIT

XV

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Exposure and Risks as of 10/29/18 (Trended to 6/30/19)

	Total Exposure ($)					
2019 FHCF Rating Region	**Commercial**	**Residential**	**Mobile Home**	**Tenants**	**Condominium-Owners**	**Total**
1	4,924,108,222	227,614,358,694	5,292,119,375	3,691,080,701	3,030,532,004	244,552,198,996
2	2,587,874,541	200,459,550,635	3,666,484,031	2,305,320,266	2,857,209,974	211,876,439,447
3	9,635,780,444	304,879,032,439	4,031,974,738	5,000,708,585	6,299,113,465	329,846,609,671
4	3,927,433,408	212,701,946,573	4,905,378,841	2,474,678,830	2,823,215,795	226,832,653,447
5	5,040,141,614	104,551,888,793	1,891,680,094	1,393,783,945	3,328,082,048	116,205,576,494
6	6,618,437,756	113,358,189,416	2,181,871,309	1,922,561,231	4,503,720,508	128,584,780,220
7	10,243,918,628	112,460,631,145	1,382,057,176	1,309,026,783	7,470,215,502	132,865,849,234
8	6,508,281,344	104,926,472,202	545,216,569	1,214,389,963	5,282,700,152	118,477,060,230
9	7,596,358,083	89,117,011,118	522,706,435	1,141,855,690	5,847,160,573	104,225,091,899
10	10,308,696,506	96,715,662,532	848,971,998	1,331,451,675	8,083,431,301	117,288,214,012
11	18,770,708,551	120,330,724,155	325,061,506	1,788,363,849	10,349,408,834	151,564,266,895
12	10,503,033,761	73,096,836,296	683,986,240	958,699,080	4,886,713,873	90,129,269,250
13	9,870,257,064	55,818,231,370	187,059,289	692,047,256	4,585,633,740	71,153,228,719
14	5,736,470,512	36,556,333,890	275,469,487	428,116,997	4,263,412,026	47,259,802,912
15	3,897,095,571	31,646,667,985	58,086,103	440,268,974	3,070,690,697	39,112,809,330
16	2,311,532,521	30,108,374,994	52,349,758	282,671,748	1,684,454,914	34,439,383,935
17	3,649,110,287	30,746,436,770	59,597,452	419,428,658	2,373,383,757	37,247,956,924
18	3,063,052,672	24,546,717,959	45,076,691	379,004,461	2,377,451,397	30,411,303,180
19	5,491,242,102	20,635,036,417	12,346,476	629,777,716	4,459,574,276	31,227,976,987
20	1,991,226,976	9,513,464,850	9,278,071	296,022,807	1,589,812,910	13,399,805,614
21	8,765,672,440	18,594,649,514	49,017,897	556,973,719	6,164,872,000	34,131,185,570
22	4,311,099,174	7,232,600,607	-	288,981,999	3,851,960,833	15,684,642,613
23	4,913,742,298	3,711,982,628	1,761,370	166,692,888	3,679,925,459	12,474,104,643
24	4,150,614,715	7,801,744,680	22,814,801	216,102,948	3,057,713,119	15,248,990,263
25	1,774,207,861	2,207,480,987	6,392,002	55,495,700	1,499,384,712	5,542,961,262
Total	$156,590,097,051	$2,039,332,026,649	$27,056,757,709	$29,383,506,469	$107,419,773,869	$2,359,782,161,747
1-5	$26,115,338,229	$1,050,206,777,134	$19,787,637,079	$14,865,572,327	$18,338,153,286	$1,129,313,478,055
6-10	$41,275,692,317	$516,577,966,413	$5,480,823,487	$6,919,285,342	$31,187,228,036	$601,440,995,595
11-15	$48,777,565,459	$317,448,793,696	$1,529,662,625	$4,307,496,156	$27,155,859,170	$399,219,377,106
16-20	$16,506,164,558	$115,550,030,990	$178,648,448	$2,006,905,390	$12,484,677,254	$146,726,426,640
21-25	$23,915,336,488	$39,548,458,416	$79,986,070	$1,284,247,254	$18,253,856,123	$83,081,884,351
	% of Total within Type of Business					
1-5	16.7%	51.5%	73.1%	50.6%	17.1%	47.9%
6-10	26.4%	25.3%	20.3%	23.5%	29.0%	25.5%
11-15	31.1%	15.6%	5.7%	14.7%	25.3%	16.9%
16-20	10.5%	5.7%	0.7%	6.8%	11.6%	6.2%
21-25	15.3%	1.9%	0.3%	4.4%	17.0%	3.5%
	% of Total within Territory					
Total	6.6%	86.4%	1.1%	1.2%	4.6%	100.0%
1-5	2.3%	93.0%	1.8%	1.3%	1.6%	100.0%
6-10	6.9%	85.9%	0.9%	1.2%	5.2%	100.0%
11-15	12.2%	79.5%	0.4%	1.1%	6.8%	100.0%
16-20	11.2%	78.8%	0.1%	1.4%	8.5%	100.0%
21-25	28.8%	47.6%	0.1%	1.5%	22.0%	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Exposure and Risks as of 10/29/18 (Trended to 6/30/19)

2019 FHCF Rating Region	Total Risks					
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condominium-Owners**	**Total**
1	4,636	531,913	63,811	145,906	26,835	773,101
2	3,348	469,551	43,424	83,456	24,627	624,406
3	9,709	659,264	47,853	194,614	54,450	965,890
4	5,675	501,359	59,174	94,396	26,711	687,315
5	10,086	253,752	23,254	54,285	31,810	373,187
6	9,026	293,368	28,937	80,047	45,899	457,277
7	12,587	248,807	17,277	47,007	66,706	392,384
8	9,134	233,206	8,401	43,016	46,616	340,373
9	10,162	194,851	7,444	39,624	48,893	300,974
10	9,927	187,266	9,763	43,899	64,051	314,906
11	18,089	238,895	4,391	61,821	108,926	432,122
12	9,039	159,514	7,300	32,859	55,864	264,576
13	8,250	138,658	2,654	27,424	47,740	224,726
14	5,522	92,412	3,734	16,242	31,739	149,649
15	4,303	71,137	961	13,708	20,631	110,740
16	2,061	46,014	759	6,393	10,109	65,336
17	3,357	68,438	964	15,321	21,275	109,355
18	2,159	45,291	691	11,973	18,961	79,075
19	3,573	32,221	204	18,621	28,355	82,974
20	1,217	18,548	234	9,541	9,942	39,482
21	2,591	17,104	755	15,352	39,370	75,172
22	1,171	11,047	-	7,573	21,962	41,753
23	675	3,865	45	3,907	14,743	23,235
24	1,435	7,081	532	4,872	14,016	27,936
25	258	2,260	137	745	2,543	5,943
Total	147,990	4,525,822	332,699	1,072,602	882,774	6,961,887
1-5	33,454	2,415,839	237,516	572,657	164,433	3,423,899
6-10	50,836	1,157,498	71,822	253,593	272,165	1,805,914
11-15	45,203	700,616	19,040	152,054	264,900	1,181,813
16-20	12,367	210,512	2,852	61,849	88,642	376,222
21-25	6,130	41,357	1,469	32,449	92,634	174,039
	% of Total within Type of Business					
1-5	22.6%	53.4%	71.4%	53.4%	18.6%	49.2%
6-10	34.4%	25.6%	21.6%	23.6%	30.8%	25.9%
11-15	30.5%	15.5%	5.7%	14.2%	30.0%	17.0%
16-20	8.4%	4.7%	0.9%	5.8%	10.0%	5.4%
21-25	4.1%	0.9%	0.4%	3.0%	10.5%	2.5%
	% of Total within Territory					
Total	2.1%	65.0%	4.8%	15.4%	12.7%	100.0%
1-5	1.0%	70.6%	6.9%	16.7%	4.8%	100.0%
6-10	2.8%	64.1%	4.0%	14.0%	15.1%	100.0%
11-15	3.8%	59.3%	1.6%	12.9%	22.4%	100.0%
16-20	3.3%	56.0%	0.8%	16.4%	23.6%	100.0%
21-25	3.5%	23.8%	0.8%	18.6%	53.2%	100.0%

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
2018 FHCF Exposure and Risks as of 10/29/18 (Trended to 6/30/19)

2019 FHCF Rating Region	Averages				
	Commercial	**Residential**	**Mobile Home**	**Tenants**	**Condominium-Owners**
1	1,062,146	427,917	82,934	25,298	112,932
2	772,961	426,918	84,435	27,623	116,019
3	992,459	462,454	84,258	25,696	115,686
4	692,059	424,251	82,898	26,216	105,695
5	499,717	412,024	81,349	25,675	104,624
6	733,264	386,403	75,401	24,018	98,122
7	813,849	451,999	79,994	27,847	111,987
8	712,534	449,930	64,899	28,231	113,324
9	747,526	457,360	70,218	28,817	119,591
10	1,038,450	516,461	86,958	30,330	126,203
11	1,037,686	503,697	74,029	28,928	95,013
12	1,161,969	458,247	93,697	29,176	87,475
13	1,196,395	402,560	70,482	25,235	96,054
14	1,038,839	395,580	73,773	26,359	134,327
15	905,669	444,869	60,443	32,118	148,839
16	1,121,559	654,331	68,972	44,216	166,629
17	1,087,015	449,260	61,823	27,376	111,557
18	1,418,737	541,978	65,234	31,655	125,386
19	1,536,872	640,422	60,522	33,821	157,276
20	1,636,177	512,911	39,650	31,026	159,909
21	3,383,123	1,087,152	64,924	36,280	156,588
22	3,681,554	654,712	-	38,160	175,392
23	7,279,618	960,409	39,142	42,665	249,605
24	2,892,414	1,101,786	42,885	44,356	218,159
25	6,876,775	976,761	46,657	74,491	589,613
Total	$1,058,113	$450,599	$81,325	$27,395	$121,684
1-5	$780,634	$434,717	$83,311	$25,959	$111,524
6-10	$811,938	$446,288	$76,311	$27,285	$114,589
11-15	$1,079,078	$453,100	$80,339	$28,329	$102,514
16-20	$1,334,694	$548,900	$62,640	$32,448	$140,844
21-25	$3,901,360	$956,270	$54,449	$39,577	$197,054

EXHIBIT

XVI

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report Valid Zip Codes
2019 Residential Masonry Base Premium (2% Deductible) Comparison
Prior to Application of Premium Credits/Surcharges

% Change in Rates

Maximum Decrease **-45.77%**
Maximum Increase **23.35%**

Threshold From	Threshold To	Count of ZIP Codes	Percentage of Zip Codes in Group	Residential Exposure (in 000's)	Percentage of Res Exposure in Group	Residential Exposure Risk Counts (Houses)	Percentage of Risk Counts in Group
Less Than	-15%	241	16.54%	319,803,187	18.21%	734,844	18.83%
-15%	-10%	186	12.77%	230,398,938	13.12%	532,037	13.63%
-10%	-5%	156	10.71%	194,603,233	11.08%	431,873	11.07%
-5%	0%	385	26.42%	328,339,576	18.70%	707,497	18.13%
0%	5%	481	33.01%	679,008,550	38.67%	1,489,598	38.17%
5%	10%	3	0.21%	1,435	0.00%	6	0.00%
10%	15%	2	0.14%	804,529	0.05%	659	0.02%
Greater Than	15%	3	0.21%	3,057,218	0.17%	6,399	0.16%
		1457	**100.00%**	**1,756,016,666**	**100.00%**	**3,902,913**	**100.00%**
New ZIP Codes in 2019		0	0.00%	-	0.00%	-	0.00%
		1457	**100.00%**	**1,756,016,666**	**100.00%**	**3,902,913**	**100.00%**

$ Change in Rates

Maximum Decrease **($107.08)**
Maximum Increase **$70.43**

Premium Threshold* From	Premium Threshold* To	Count of ZIP Codes	Percentage of Zip Codes in Group	Residential Exposure (in 000's)	Percentage of Res Exposure in Group	Residential Exposure Risk Counts (Houses)	Percentage of Risk Counts in Group
-$115	-$80	5	0.34%	2,643,014	0.15%	3,907	0.10%
-$80	-$40	91	6.25%	86,250,579	4.91%	207,175	5.31%
-$40	-$10	487	33.42%	655,911,764	37.35%	1,487,672	38.12%
-$10	$0	385	26.42%	328,339,576	18.70%	707,497	18.13%
$0	$10	481	33.01%	679,008,550	38.67%	1,489,598	38.17%
$10	$20	0	0.00%	-	0.00%	-	0.00%
$20	$30	0	0.00%	-	0.00%	-	0.00%
$30	$40	8	0.55%	3,863,182	0.22%	7,064	0.18%
		1457	**100.00%**	**1,756,016,666**	**100.00%**	**3,902,913**	**100.00%**
New ZIP Codes in 2019		0	0.00%	-	0.00%	-	0.00%
		1457	**100.00%**	**1,756,016,666**	**100.00%**	**3,902,913**	**100.00%**

***Exposure Assumptions**

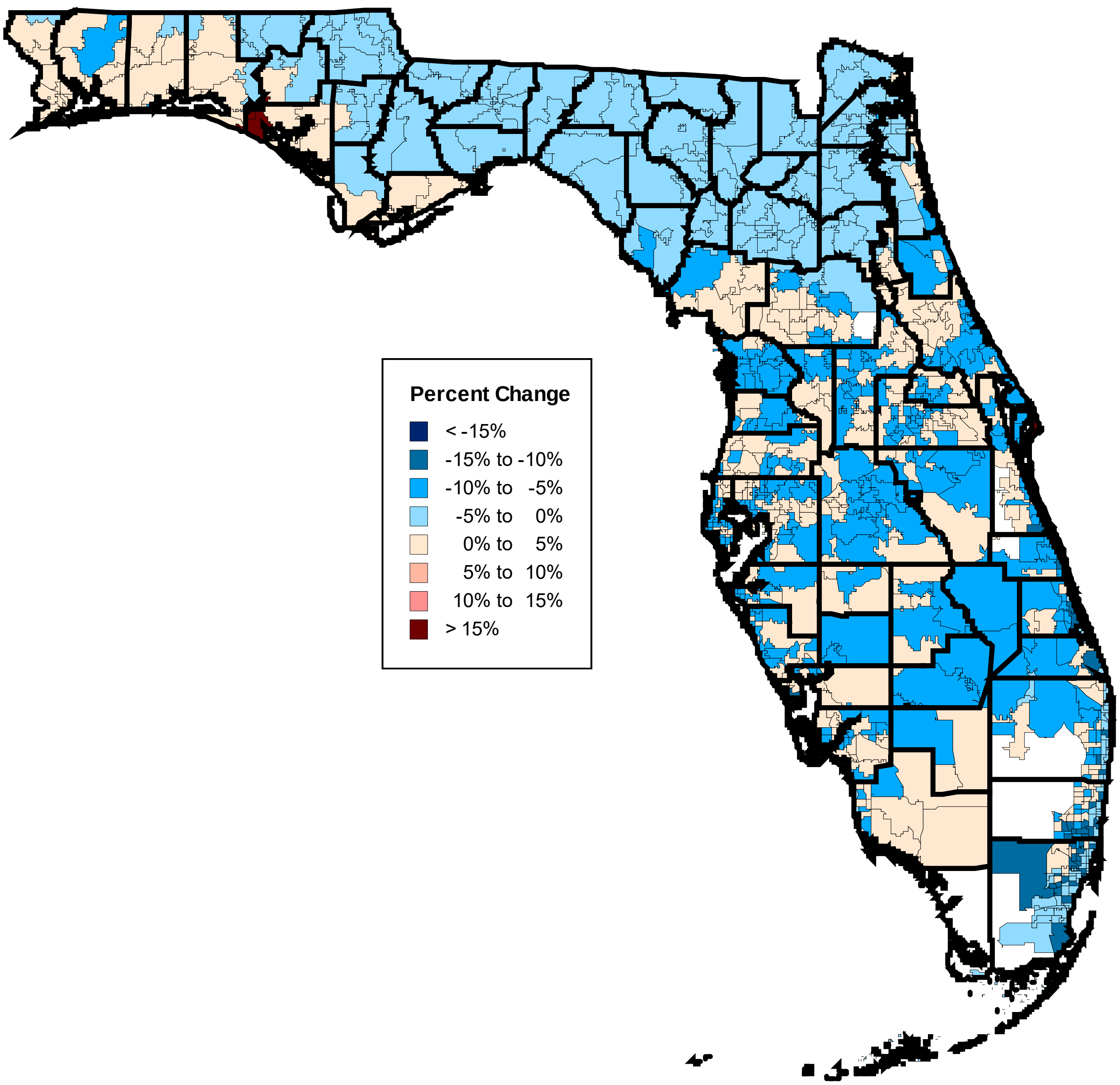
Coverages:	$	265	Building Value
(in thousands)	$	26	Appurtenant Structures
	$	132	Contents
	$	26	Additional Living Expense
	$	450	FHCF Exposure

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

Florida Hurricane Catastrophe Fund

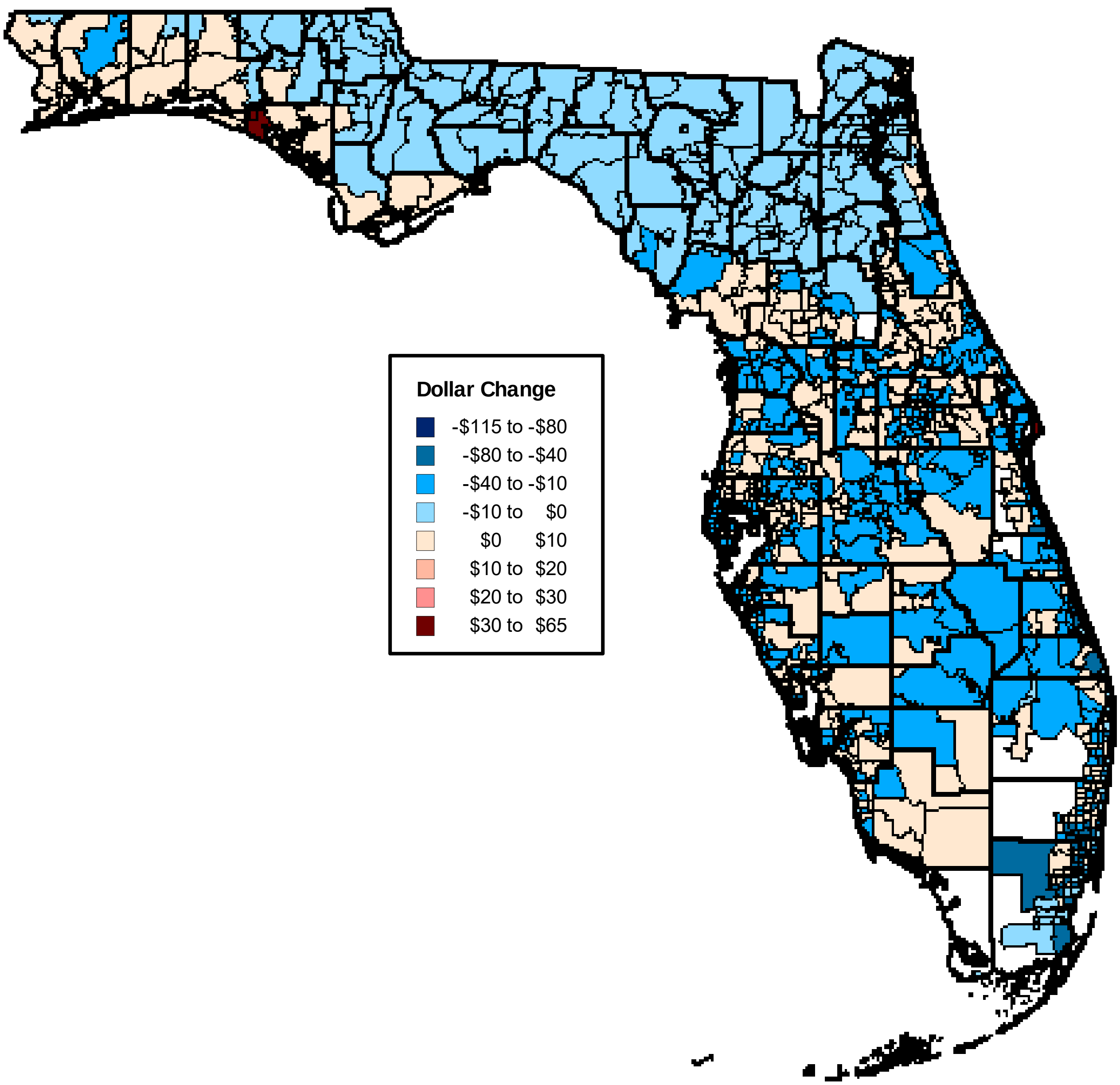
Proposed 2019 Percentage Rate Change by 5-Digit ZIP Code

Entire State



Revised on July 25, 2019

Florida Hurricane Catastrophe Fund
Proposed 2019 Dollar Rate Change by 5-Digit ZIP Code
Entire State



Revised on July 25, 2019

EXHIBIT

XVII

Florida Hurricane Catastrophe Fund
2019 Ratemaking Premium Formula Report
Exhibit XVII - Risk Transfer Options Formula
Revised for HB301

The rates presented in this report include a loading for the cost of risk transfer for the $1 billion excess of $10.5 billion layer, assuming reinsurance premium equal to the 2018 initial premium of $63.0 million. Should the FHCF enter into a different risk transfer arrangement, the impact of the cost shall be determined, and the 2019-2020 FHCF premium rates and factors would be accordingly adjusted, by using the formula specified in this Exhibit.

The estimates for FHCF loss credits are based on the average of the AIR and RMS data distributions in Exhibit VIII. Exhibit XVII is based on the same loss severity distribution and displays probability of exceedance for specific FHCF layers with the adjustments to the FHCF loss layer level prior to fixed expenses. These values are used to illustrate a range of potential risk transfer structures, costs and factors in the tables of this exhibit.

To adjust the FHCF premium/rates to account for the impact of a future risk transfer arrangement, if any, the rates presented in this 2019 Ratemaking Formula Report would be adjusted by a Risk Transfer Adjustment Factor (RTAF):

Amended FHCF Rate = Original FHCF Rate x RTAF

The details of the formula calculation are provided below.

Definitions

1. Amended FHCF Rate: Original FHCF Rate x RTAF
2. Amended FHCF Rate Change: FHCF Current Rate Change x RTAF
3. Amended FHCF Projected Payout Multiple: FHCF Current Projected Payout Multiple/RTAF
4. Amended FHCF Retention Multiple: FHCF Current Retention Multiple/RTAF
5. AP = Amended FHCF Premium: OP x RTAF
6. CBF: Cash Build-up Factor [25% for the 2019 Contract Year]
7. ELC: Expected Loss Credit
8. NRCP: Net Risk Transfer Cost Premium = (RTC - (ELC x (1+CBF))
9. OP = Original FHCF Premium: $1,199,825,413for the 2019 Contract Year [Exh. II, line 73]
10. ONRCP: = Original Net Risk Transfer Cost Premium = Reinsurance [Exh. II, line 45a] – (ceded loss and lae [Exh. II, line 21] x (1+CBF)) = $63,480,000 – ($30,321,982 x 1.25) = $25,577,523
11. RTAF = (OP – ONRCP + NRCP) / OP
12. RTC: Risk Transfer Costs

Calculation of the Expected Loss Credit (ELC)

The ELC is calculated, based on the Modeled Adjusted Loss Severity Distributions in Exhibit XVII, as ELC = ((P(LA) + P(LE)/2)) x (LE – LA)) x TUP, whereas:

1. LA: Layer Attachment
2. LE: Layer Exhaustion
3. P(LA): probability of exceedance for Layer Attachment
4. P(LE): probability of exceedance for Layer Exhaustion
5. TUP: True Up Factor = FHCF Losses Prior to special adjustments and expenses (Exh. II, Line 19) / Exh. XVII total expected losses (no LAE, Adj.) = $904,516,541/ $834,708,012= 1.08363227326

Example of RTAF Calculation

Risk Transfer of $500 million excess of $11.5 billion purchased for 5% Rate on Line ($25 million)

- RTC = 25,000,000
- Layer Attachment: $11,500,000,000, P(LA) = 2.82350%
- Layer Exhaustion: $12,000,000,000, P(LE) = 2.64175%
- ELC = ((.0282350 +0.0264175)/2) x ($12,000,000,000 -$11,500,000,000)) x 1.08363227326 = $14,805,803
- NRCP = $25,000,000 - ($14,805,803x 1.25) = $6,492,746

RTAF = ($1,199,825,413- $25,577,523+ $6,492,746) / $1,199,825,413= 0.98409370

Note: This example assumes the risk transfer cost (RTC) and net risk transfer cost premium (NRCP) are for a placement of 100% of the ceded layer. If the placement is less than 100%, multiply the NRCP by the actual placement %.

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report Updated for HB301 10% LAE
Expected Loss and Premium by Layer
Based on Avg. (AIR, RMS) 2018 Trended Zip Code Loss Data and 2019 Per Company Estimated Limits and Retentions

Aggregate FHCF Loss Level	Return Time	Prob(Exceed)	Expected Loss Company Ret, Lim	Adjust to Total Gross Loss and LAE (Expected Loss Credits)
0	3.3	30.29350%	2,571,862	2,786,953
10,000,000	4.7	21.14375%	17,412,187	18,868,408
100,000,000	5.7	17.55000%	24,784,312	26,857,081
250,000,000	6.5	15.49575%	36,235,625	39,266,093
500,000,000	7.4	13.49275%	62,020,625	67,207,551
1,000,000,000	8.8	11.31550%	101,296,250	109,767,886
2,000,000,000	11.2	8.94375%	82,551,250	89,455,199
3,000,000,000	13.2	7.56650%	71,202,500	77,157,327
4,000,000,000	15.0	6.67400%	63,111,250	68,389,387
5,000,000,000	16.8	5.94825%	56,693,750	61,435,177
6,000,000,000	18.6	5.39050%	51,380,000	55,677,026
7,000,000,000	20.5	4.88550%	46,288,750	50,159,983
8,000,000,000	22.9	4.37225%	41,188,750	44,633,459
9,000,000,000	25.9	3.86550%	36,580,000	39,639,269
10,000,000,000	29.0	3.45050%	16,796,250	18,200,959
10,500,000,000	30.6	3.26800%	15,763,125	17,081,431
11,000,000,000	32.9	3.03725%	14,651,875	15,877,245
11,500,000,000	35.4	2.82350%	13,663,125	14,805,803
12,000,000,000	37.9	2.64175%	12,715,000	13,778,384
12,500,000,000	40.9	2.44425%	11,746,875	12,729,293
13,000,000,000	44.4	2.25450%	10,890,000	11,800,755
13,500,000,000	47.6	2.10150%	10,026,250	10,864,768
14,000,000,000	52.4	1.90900%	9,036,250	9,791,972
14,500,000,000	58.6	1.70550%	7,976,875	8,643,999
15,000,000,000	67.3	1.48525%	6,821,875	7,392,404
15,500,000,000	80.4	1.24350%	2,965,313	3,213,308
15,750,000,000	88.6	1.12875%	2,659,688	2,882,123
16,000,000,000	100.1	0.99900%	2,276,563	2,466,957
16,250,000,000	121.6	0.82225%	3,401,396	3,685,863
16,999,000,000	1,162.8	0.08600%	441	478
17,000,000,000	44,444.4	0.00225%		
Total			834,708,012	904,516,541
True Up Factor				1.08363227326
Average AIR,RMS detail modeled expected losses			831,956,296	

Paragon Strategic Solutions Inc.
Revised on July 25, 2019

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report Updated for HB301 10% LAE
Risk Transfer Estimated Cost and Rate Impact
Based on Avg. (AIR, RMS) 2018 Trended Zip Code Loss Data and 2019 Per Company Estimated Limits and Retentions

Aggregate

Reinsurance Attachment	$10,500,000,000	Limit	$17,000,000,000	Projected Payout Multiple	14.4774
FHCF Premium with Cash Build Up	$1,174,247,890	Retention	$7,422,000,000	Retention Multiple 100%	5.1595
Cash Build Up Factor	25%	Coverage %	81.629%	Retention Multiple 90%	5.7327
				Retention Multiple 75%	6.8793
Rate Change	2.65%	2018 Model Net Rein	$27,725,644	Retention Multiple 45%	11.4655

Risk Transfer Premiums Gross

Limit	Expected Loss Credit	Risk Transfer Rate on Line 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$17,081,431	$20,000,000	$22,500,000	$25,000,000	$27,500,000	$30,000,000	$32,500,000	$35,000,000	$37,500,000	$40,000,000
$1,000,000,000	$32,958,676	$40,000,000	$45,000,000	$50,000,000	$55,000,000	$60,000,000	$65,000,000	$70,000,000	$75,000,000	$80,000,000
$1,500,000,000	$47,764,479	$60,000,000	$67,500,000	$75,000,000	$82,500,000	$90,000,000	$97,500,000	$105,000,000	$112,500,000	$120,000,000
$2,000,000,000	$61,542,863	$80,000,000	$90,000,000	$100,000,000	$110,000,000	$120,000,000	$130,000,000	$140,000,000	$150,000,000	$160,000,000

Risk Transfer Dollar Impact on Premiums

Limit	Expected Loss Credit	Net Risk Transfer Cost Premium 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$17,081,431	($1,351,789)	$1,148,211	$3,648,211	$6,148,211	$8,648,211	$11,148,211	$13,648,211	$16,148,211	$18,648,211
$1,000,000,000	$32,958,676	($1,198,344)	$3,801,656	$8,801,656	$13,801,656	$18,801,656	$23,801,656	$28,801,656	$33,801,656	$38,801,656
$1,500,000,000	$47,764,479	$294,402	$7,794,402	$15,294,402	$22,794,402	$30,294,402	$37,794,402	$45,294,402	$52,794,402	$60,294,402
$2,000,000,000	$61,542,863	$3,071,421	$13,071,421	$23,071,421	$33,071,421	$43,071,421	$53,071,421	$63,071,421	$73,071,421	$83,071,421

Risk Transfer % Impact on Rates

Limit	Expected Loss Credit	FHCF Rate Impact 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$17,081,431	-0.1%	0.1%	0.3%	0.5%	0.7%	0.9%	1.2%	1.4%	1.6%
$1,000,000,000	$32,958,676	-0.1%	0.3%	0.7%	1.2%	1.6%	2.0%	2.5%	2.9%	3.3%
$1,500,000,000	$47,764,479	0.0%	0.7%	1.3%	1.9%	2.6%	3.2%	3.9%	4.5%	5.1%
$2,000,000,000	$61,542,863	0.3%	1.1%	2.0%	2.8%	3.7%	4.5%	5.4%	6.2%	7.1%

Risk Transfer: Revised Rate Change

Limit	Expected Loss Credit	FHCF Revised Rate Change 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$17,081,431	2.53%	2.75%	2.97%	3.19%	3.41%	3.62%	3.84%	4.06%	4.28%
$1,000,000,000	$32,958,676	2.54%	2.98%	3.42%	3.86%	4.29%	4.73%	5.17%	5.60%	6.04%
$1,500,000,000	$47,764,479	2.67%	3.33%	3.99%	4.64%	5.30%	5.95%	6.61%	7.26%	7.92%
$2,000,000,000	$61,542,863	2.92%	3.79%	4.67%	5.54%	6.41%	7.29%	8.16%	9.04%	9.91%

Projected Payout Multiple

Limit	Revised Payout Mutiples 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	14.4940	14.4632	14.4325	14.4019	14.3715	14.3412	14.3110	14.2810	14.2510
$1,000,000,000	14.4921	14.4306	14.3696	14.3092	14.2492	14.1897	14.1308	14.0723	14.0143
$1,500,000,000	14.4737	14.3819	14.2912	14.2017	14.1132	14.0259	13.9397	13.8545	13.7703
$2,000,000,000	14.4396	14.3180	14.1984	14.0808	13.9651	13.8513	13.7394	13.6292	13.5208

Retention Multiple 90%

Limit	Revised Retention Multiple 90% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	5.7393	5.7271	5.7150	5.7029	5.6908	5.6788	5.6669	5.6550	5.6431
$1,000,000,000	5.7386	5.7142	5.6901	5.6661	5.6424	5.6188	5.5955	5.5723	5.5494
$1,500,000,000	5.7313	5.6949	5.6590	5.6236	5.5886	5.5540	5.5198	5.4861	5.4528
$2,000,000,000	5.7178	5.6696	5.6223	5.5757	5.5299	5.4848	5.4405	5.3969	5.3540

Retention Multiple 75%

Limit	Revised Retention Multiple 75% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	6.8872	6.8726	6.8580	6.8435	6.8290	6.8146	6.8002	6.7860	6.7717
$1,000,000,000	6.8863	6.8571	6.8281	6.7994	6.7709	6.7426	6.7146	6.6868	6.6592
$1,500,000,000	6.8776	6.8339	6.7908	6.7483	6.7063	6.6648	6.6238	6.5833	6.5433
$2,000,000,000	6.8613	6.8036	6.7467	6.6908	6.6359	6.5818	6.5286	6.4763	6.4248

Retention Multiple 45%

Limit	Revised Retention Multiple 45% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	11.4787	11.4543	11.4300	11.4058	11.3817	11.3576	11.3337	11.3099	11.2862
$1,000,000,000	11.4772	11.4285	11.3802	11.3323	11.2848	11.2377	11.1910	11.1447	11.0987
$1,500,000,000	11.4626	11.3899	11.3181	11.2471	11.1771	11.1080	11.0396	10.9722	10.9055
$2,000,000,000	11.4356	11.3393	11.2445	11.1514	11.0598	10.9697	10.8810	10.7938	10.7080

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report Updated for HB301 10% LAE
Risk Transfer Estimated Cost and Rate Impact
Based on Avg. (AIR, RMS) 2018 Trended Zip Code Loss Data and 2019 Per Company Estimated Limits and Retentions

Aggregate

Reinsurance Attachment	$11,000,000,000	Limit	$17,000,000,000	Projected Payout Multiple	14.4774
FHCF Premium with Cash Build Up	$1,174,247,890	Retention	$7,422,000,000	Retention Multiple 100%	5.1595
Cash Build Up Factor	25%	Coverage %	81.629%	Retention Multiple 90%	5.7327
				Retention Multiple 75%	6.8793
Rate Change	2.65%			Retention Multiple 45%	11.4655

Risk Transfer Premiums Gross

Limit	Expected Loss Credit	Risk Transfer Rate on Line 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$15,877,245	$20,000,000	$22,500,000	$25,000,000	$27,500,000	$30,000,000	$32,500,000	$35,000,000	$37,500,000	$40,000,000
$1,000,000,000	$30,683,048	$40,000,000	$45,000,000	$50,000,000	$55,000,000	$60,000,000	$65,000,000	$70,000,000	$75,000,000	$80,000,000
$1,500,000,000	$44,461,432	$60,000,000	$67,500,000	$75,000,000	$82,500,000	$90,000,000	$97,500,000	$105,000,000	$112,500,000	$120,000,000
$2,000,000,000	$57,190,725	$80,000,000	$90,000,000	$100,000,000	$110,000,000	$120,000,000	$130,000,000	$140,000,000	$150,000,000	$160,000,000

Risk Transfer Dollar Impact on Premiums

Limit	Expected Loss Credit	Net Risk Transfer Cost Premium 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$15,877,245	$153,444	$2,653,444	$5,153,444	$7,653,444	$10,153,444	$12,653,444	$15,153,444	$17,653,444	$20,153,444
$1,000,000,000	$30,683,048	$1,646,190	$6,646,190	$11,646,190	$16,646,190	$21,646,190	$26,646,190	$31,646,190	$36,646,190	$41,646,190
$1,500,000,000	$44,461,432	$4,423,210	$11,923,210	$19,423,210	$26,923,210	$34,423,210	$41,923,210	$49,423,210	$56,923,210	$64,423,210
$2,000,000,000	$57,190,725	$8,511,594	$18,511,594	$28,511,594	$38,511,594	$48,511,594	$58,511,594	$68,511,594	$78,511,594	$88,511,594

Risk Transfer % Impact on Rates

Limit	Expected Loss Credit	FHCF Rate Impact 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$15,877,245	0.0%	0.2%	0.4%	0.7%	0.9%	1.1%	1.3%	1.5%	1.7%
$1,000,000,000	$30,683,048	0.1%	0.6%	1.0%	1.4%	1.8%	2.3%	2.7%	3.121%	3.5%
$1,500,000,000	$44,461,432	0.4%	1.0%	1.7%	2.3%	2.9%	3.6%	4.2%	4.8%	5.5%
$2,000,000,000	$57,190,725	0.7%	1.6%	2.4%	3.3%	4.1%	5.0%	5.8%	6.7%	7.5%

Risk Transfer: Revised Rate Change

Limit	Expected Loss Credit	FHCF Revised Rate Change 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$15,877,245	2.66%	2.88%	3.10%	3.32%	3.54%	3.76%	3.97%	4.19%	4.41%
$1,000,000,000	$30,683,048	2.79%	3.23%	3.67%	4.10%	4.54%	4.98%	5.42%	5.85%	6.29%
$1,500,000,000	$44,461,432	3.04%	3.69%	4.35%	5.00%	5.66%	6.31%	6.97%	7.63%	8.28%
$2,000,000,000	$57,190,725	3.39%	4.27%	5.14%	6.02%	6.89%	7.76%	8.64%	9.51%	10.39%

Projected Payout Multiple

Limit	Revised Payout Mutiples 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	14.4755	14.4447	14.4141	14.3836	14.3532	14.3230	14.2929	14.2629	14.2331
$1,000,000,000	14.4571	14.3959	14.3352	14.2750	14.2153	14.1561	14.0974	14.0392	13.9815
$1,500,000,000	14.4230	14.3318	14.2418	14.1529	14.0650	13.9783	13.8926	13.8080	13.7244
$2,000,000,000	14.3732	14.2527	14.1342	14.0176	13.9030	13.7902	13.6792	13.5700	13.4626

Retention Multiple 90%

Limit	Revised Retention Multiple 90% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	5.7320	5.7198	5.7077	5.6956	5.6836	5.6716	5.6597	5.6478	5.6360
$1,000,000,000	5.7247	5.7005	5.6764	5.6526	5.6290	5.6055	5.5823	5.5592	5.5364
$1,500,000,000	5.7112	5.6751	5.6395	5.6042	5.5695	5.5351	5.5012	5.4677	5.4346
$2,000,000,000	5.6915	5.6438	5.5968	5.5507	5.5053	5.4606	5.4167	5.3735	5.3309

Retention Multiple 75%

Limit	Revised Retention Multiple 75% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	6.8784	6.8638	6.8492	6.8347	6.8203	6.8059	6.7916	6.7774	6.7632
$1,000,000,000	6.8697	6.8406	6.8117	6.7831	6.7548	6.7266	6.6988	6.6711	6.6437
$1,500,000,000	6.8535	6.8101	6.7673	6.7251	6.6834	6.6421	6.6014	6.5612	6.5215
$2,000,000,000	6.8298	6.7725	6.7162	6.6608	6.6064	6.5528	6.5000	6.4482	6.3971

Retention Multiple 45%

Limit	Revised Retention Multiple 45% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	11.4640	11.4396	11.4154	11.3912	11.3672	11.3432	11.3194	11.2957	11.2720
$1,000,000,000	11.4494	11.4009	11.3529	11.3052	11.2579	11.2111	11.1646	11.1185	11.0728
$1,500,000,000	11.4225	11.3502	11.2789	11.2085	11.1389	11.0702	11.0024	10.9354	10.8692
$2,000,000,000	11.3830	11.2875	11.1937	11.1014	11.0106	10.9213	10.8334	10.7469	10.6618

Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report Updated for HB301 10% LAE
Risk Transfer Estimated Cost and Rate Impact
Based on Avg. (AIR, RMS) 2018 Trended Zip Code Loss Data and 2019 Per Company Estimated Limits and Retentions

Aggregate

Reinsurance Attachment	$11,500,000,000	Limit	$17,000,000,000	Projected Payout Multiple	14.4774
FHCF Premium with Cash Build Up	$1,174,247,890	Retention	$7,422,000,000	Retention Multiple 100%	5.1595
Cash Build Up Factor	25%	Coverage %	81.629%	Retention Multiple 90%	5.7327
				Retention Multiple 75%	6.8793
Rate Change	2.65%			Retention Multiple 45%	11.4655

Risk Transfer Premiums Gross

Limit	Expected Loss Credit	Risk Transfer Rate on Line 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$14,805,803	$20,000,000	$22,500,000	$25,000,000	$27,500,000	$30,000,000	$32,500,000	$35,000,000	$37,500,000	$40,000,000
$1,000,000,000	$28,584,188	$40,000,000	$45,000,000	$50,000,000	$55,000,000	$60,000,000	$65,000,000	$70,000,000	$75,000,000	$80,000,000
$1,500,000,000	$41,313,480	$60,000,000	$67,500,000	$75,000,000	$82,500,000	$90,000,000	$97,500,000	$105,000,000	$112,500,000	$120,000,000
$2,000,000,000	$53,114,236	$80,000,000	$90,000,000	$100,000,000	$110,000,000	$120,000,000	$130,000,000	$140,000,000	$150,000,000	$160,000,000

Risk Transfer Dollar Impact on Premiums

Limit	Expected Loss Credit	Net Risk Transfer Cost Premium 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$14,805,803	$1,492,746	$3,992,746	$6,492,746	$8,992,746	$11,492,746	$13,992,746	$16,492,746	$18,992,746	$21,492,746
$1,000,000,000	$28,584,188	$4,269,766	$9,269,766	$14,269,766	$19,269,766	$24,269,766	$29,269,766	$34,269,766	$39,269,766	$44,269,766
$1,500,000,000	$41,313,480	$8,358,149	$15,858,149	$23,358,149	$30,858,149	$38,358,149	$45,858,149	$53,358,149	$60,858,149	$68,358,149
$2,000,000,000	$53,114,236	$13,607,205	$23,607,205	$33,607,205	$43,607,205	$53,607,205	$63,607,205	$73,607,205	$83,607,205	$93,607,205

Risk Transfer % Impact on Rates

Limit	Expected Loss Credit	FHCF Rate Impact 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$14,805,803	0.1%	0.3%	0.6%	0.8%	1.0%	1.2%	1.4%	1.6%	1.8%
$1,000,000,000	$28,584,188	0.4%	0.8%	1.2%	1.6%	2.1%	2.5%	2.9%	3.344%	3.8%
$1,500,000,000	$41,313,480	0.7%	1.4%	2.0%	2.6%	3.3%	3.9%	4.5%	5.2%	5.8%
$2,000,000,000	$53,114,236	1.2%	2.0%	2.9%	3.7%	4.6%	5.4%	6.3%	7.1%	8.0%

Risk Transfer: Revised Rate Change

Limit	Expected Loss Credit	FHCF Revised Rate Change 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	$14,805,803	2.78%	3.00%	3.22%	3.44%	3.65%	3.87%	4.09%	4.31%	4.53%
$1,000,000,000	$28,584,188	3.02%	3.46%	3.90%	4.33%	4.77%	5.21%	5.64%	6.08%	6.52%
$1,500,000,000	$41,313,480	3.38%	4.04%	4.69%	5.35%	6.00%	6.66%	7.31%	7.97%	8.62%
$2,000,000,000	$53,114,236	3.84%	4.71%	5.59%	6.46%	7.34%	8.21%	9.08%	9.96%	10.83%

Projected Payout Multiple

Limit	Revised Payout Mutiples 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	14.4590	14.4283	14.3977	14.3673	14.3370	14.3069	14.2768	14.2469	14.2171
$1,000,000,000	14.4249	14.3640	14.3035	14.2436	14.1842	14.1253	14.0668	14.0089	13.9514
$1,500,000,000	14.3750	14.2844	14.1950	14.1066	14.0194	13.9332	13.8481	13.7640	13.6809
$2,000,000,000	14.3115	14.1920	14.0745	13.9590	13.8453	13.7334	13.6234	13.5151	13.4085

Retention Multiple 90%

Limit	Revised Retention Multiple 90% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	5.7255	5.7133	5.7012	5.6892	5.6772	5.6652	5.6533	5.6415	5.6297
$1,000,000,000	5.7120	5.6878	5.6639	5.6402	5.6167	5.5933	5.5702	5.5472	5.5245
$1,500,000,000	5.6922	5.6564	5.6209	5.5859	5.5514	5.5173	5.4836	5.4503	5.4174
$2,000,000,000	5.6671	5.6198	5.5732	5.5275	5.4825	5.4382	5.3946	5.3517	5.3095

Retention Multiple 75%

Limit	Revised Retention Multiple 75% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	6.8706	6.8560	6.8415	6.8270	6.8126	6.7983	6.7840	6.7698	6.7556
$1,000,000,000	6.8544	6.8254	6.7967	6.7682	6.7400	6.7120	6.6842	6.6567	6.6294
$1,500,000,000	6.8307	6.7876	6.7451	6.7031	6.6617	6.6207	6.5803	6.5403	6.5008
$2,000,000,000	6.8005	6.7437	6.6879	6.6330	6.5789	6.5258	6.4735	6.4220	6.3714

Retention Multiple 45%

Limit	Revised Retention Multiple 45% 4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
$500,000,000	11.4509	11.4266	11.4024	11.3783	11.3543	11.3305	11.3067	11.2830	11.2594
$1,000,000,000	11.4239	11.3757	11.3278	11.2804	11.2333	11.1866	11.1404	11.0945	11.0489
$1,500,000,000	11.3844	11.3127	11.2419	11.1719	11.1028	11.0345	10.9671	10.9005	10.8347
$2,000,000,000	11.3341	11.2395	11.1465	11.0549	10.9649	10.8763	10.7892	10.7034	10.6190

EXHIBIT

XVIII

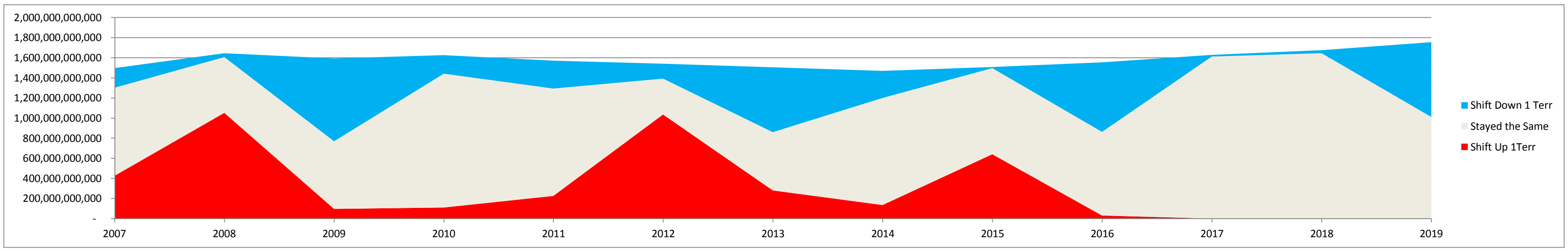
Florida Hurricane Catastrophe Fund
2019 Ratemaking Formula Report
Summary of Changes in Zip Codes 2007 to 2019

The table below outlines how theZip Codes, after tempering, have moved relative to the prior year's territory allocations.
Columns in yellow highlight years when large numbers of zip code changes were reversed in the following year.
2017 and 2018 indicated shifts were not implemented, except if the indication was for a change of two or more territories.
2019 indicated shifts were implemented if the one year indication was for a change of two or more territories or the 3 year average indication was one or more territories.

	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count	Zip Count
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Shift Up 1Terr	415	848	117	136	244	884	286	153	615	58	5	0	8
Stayed the Same	913	579	641	1182	935	394	610	1042	796	660	1429	1438	866
Shift Down 1 Terr	143	47	707	146	286	187	569	271	54	743	29	23	583
Grand Total	1471	1474	1465	1464	1465	1465	1465	1466	1465	1461	1463	1461	1457

The table below outlined how the Modeled Residential exposure, after tempering, has moved relative to last year's territory allocations.
2017 and 2018 indicated shifts were not implemented, except if the indication was for a change of two or more territories.

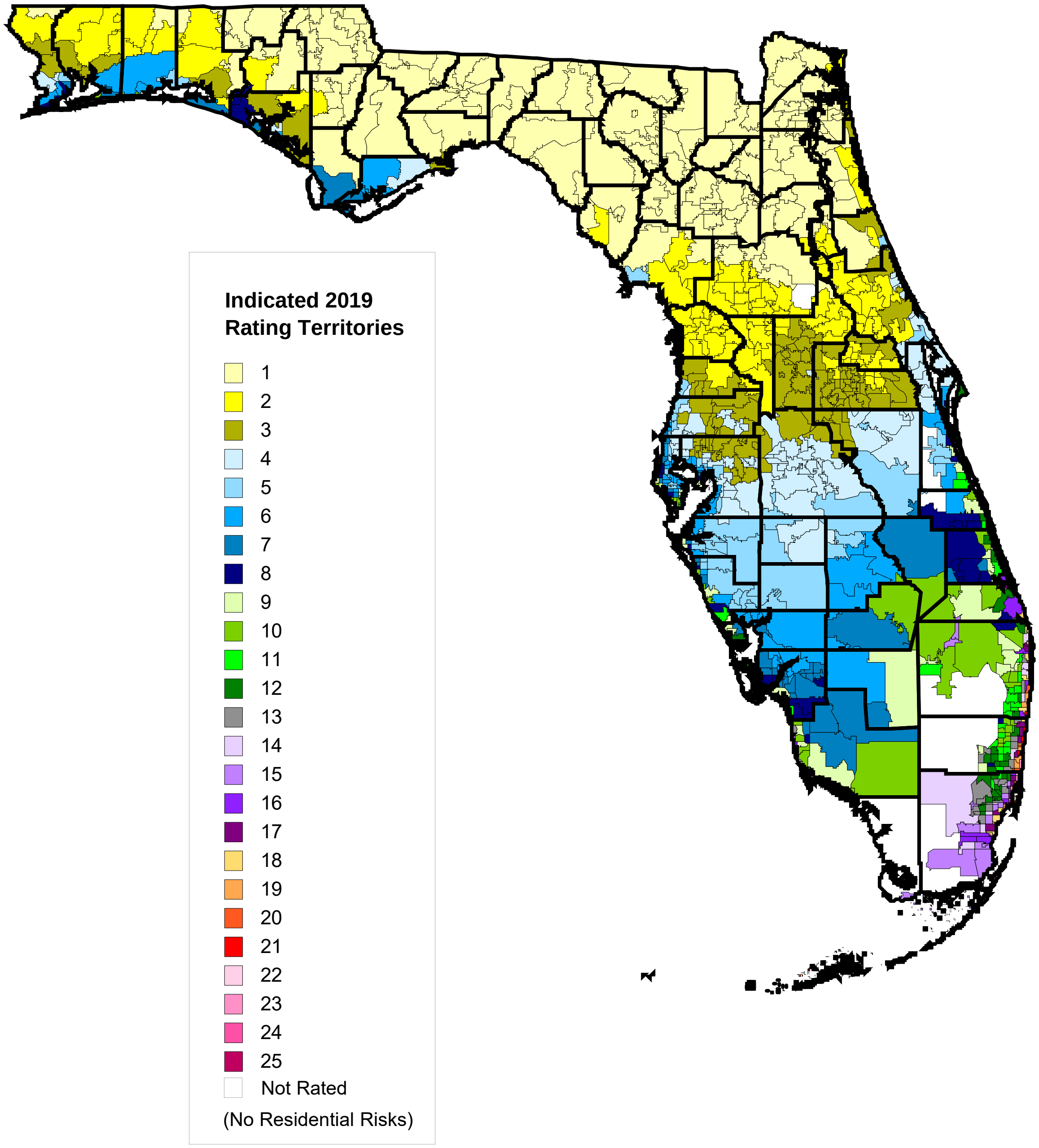
	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure	Residential Exposure
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Shift Up 1Terr	424,239,189,098	1,052,071,843,315	95,153,867,703	110,793,850,670	225,354,576,503	1,034,102,124,911	279,982,310,693	133,372,324,850	638,038,689,041	30,355,393,045	120,301,968	-	3,863,182,393
Stayed the Same	876,709,520,929	552,189,825,165	675,246,787,074	1,329,194,622,054	1,068,072,705,322	357,624,555,304	578,054,403,377	1,064,750,757,567	857,963,061,092	830,059,146,159	1,609,421,358,880	1,643,489,426,318	1,007,348,125,861
Shift Down 1 Terr	194,377,582,850	39,769,466,565	821,485,686,346	183,788,837,645	275,251,133,171	149,042,393,925	646,657,288,762	271,116,842,049	9,470,255,881	691,630,004,707	18,497,846,898	30,552,736,945	744,805,357,599
Grand Total	1,495,326,292,877	1,644,031,135,044	1,591,886,341,123	1,623,777,310,369	1,568,678,414,996	1,540,769,074,140	1,504,694,002,832	1,469,239,924,466	1,505,472,006,014	1,552,044,543,911	1,628,039,507,746	1,674,042,163,263	1,756,016,665,853



EXHIBIT

XIX

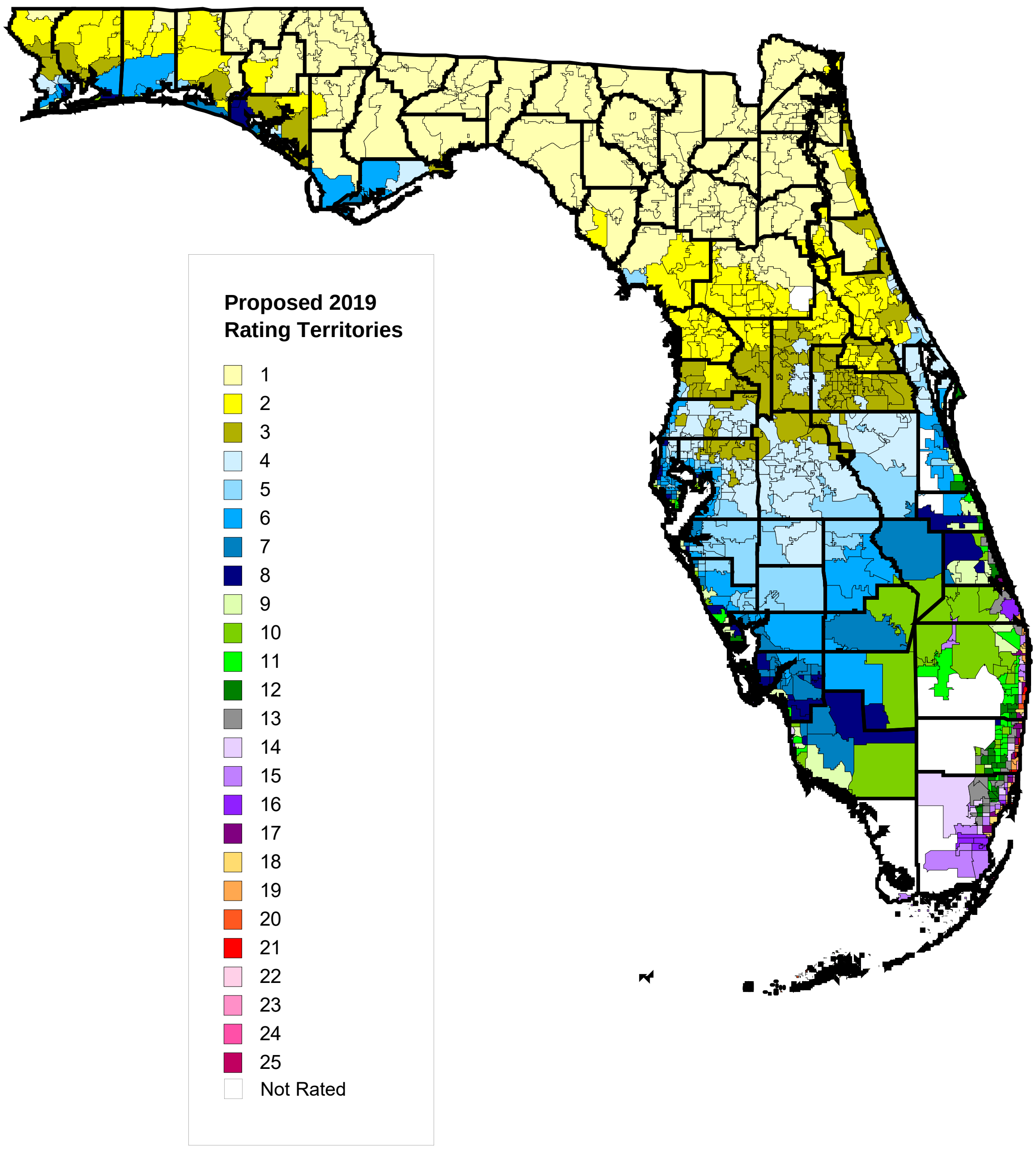
Florida Hurricane Catastrophe Fund
Indicated 2019 Rating Territories by 5-Digit ZIP Code
Entire State



Florida Hurricane Catastrophe Fund

Proposed 2019 Rating Territories by 5-Digit ZIP Code

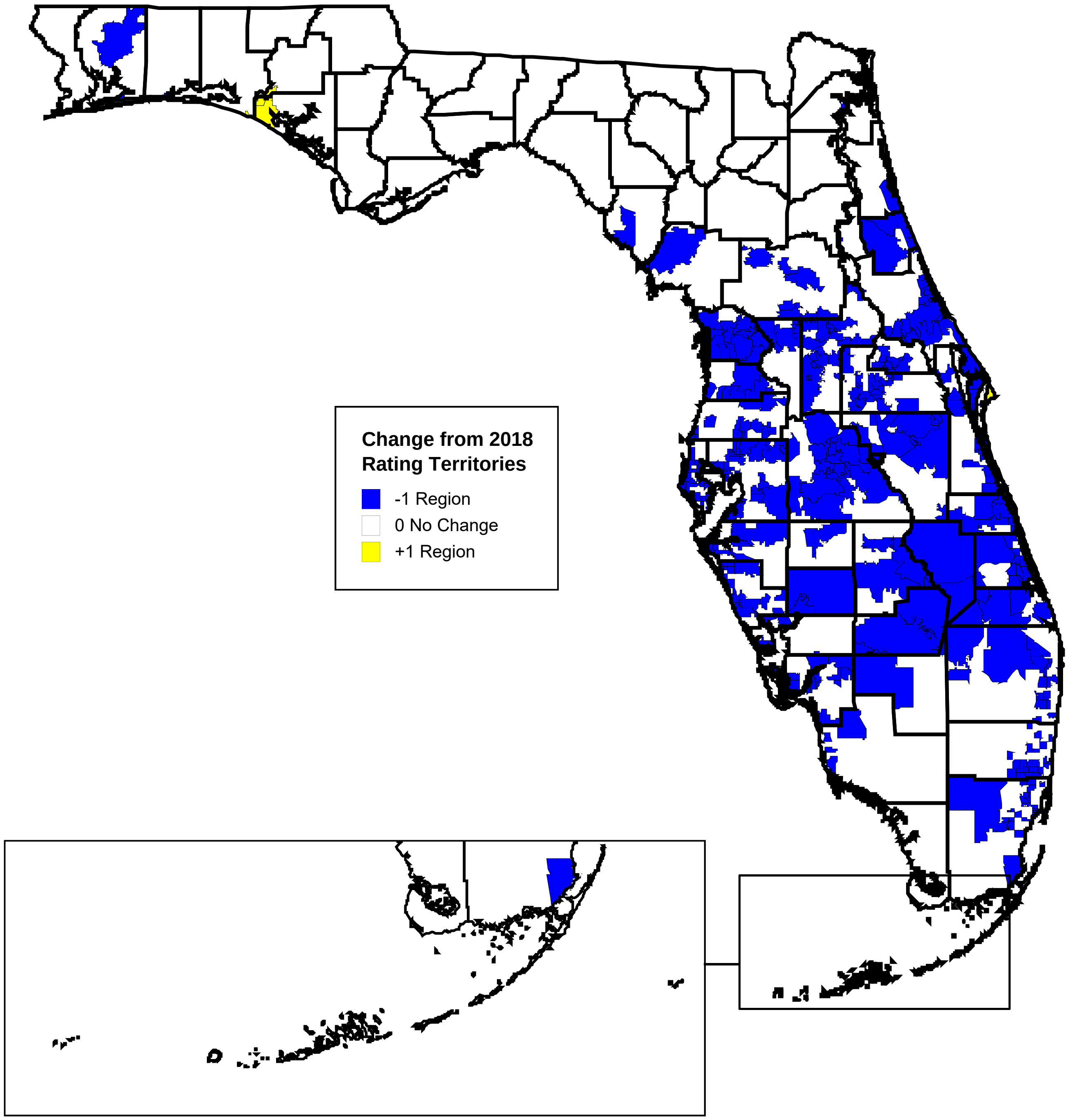
Entire State



Florida Hurricane Catastrophe Fund

Proposed 2019 Rating Territories by 5-Digit ZIP Code

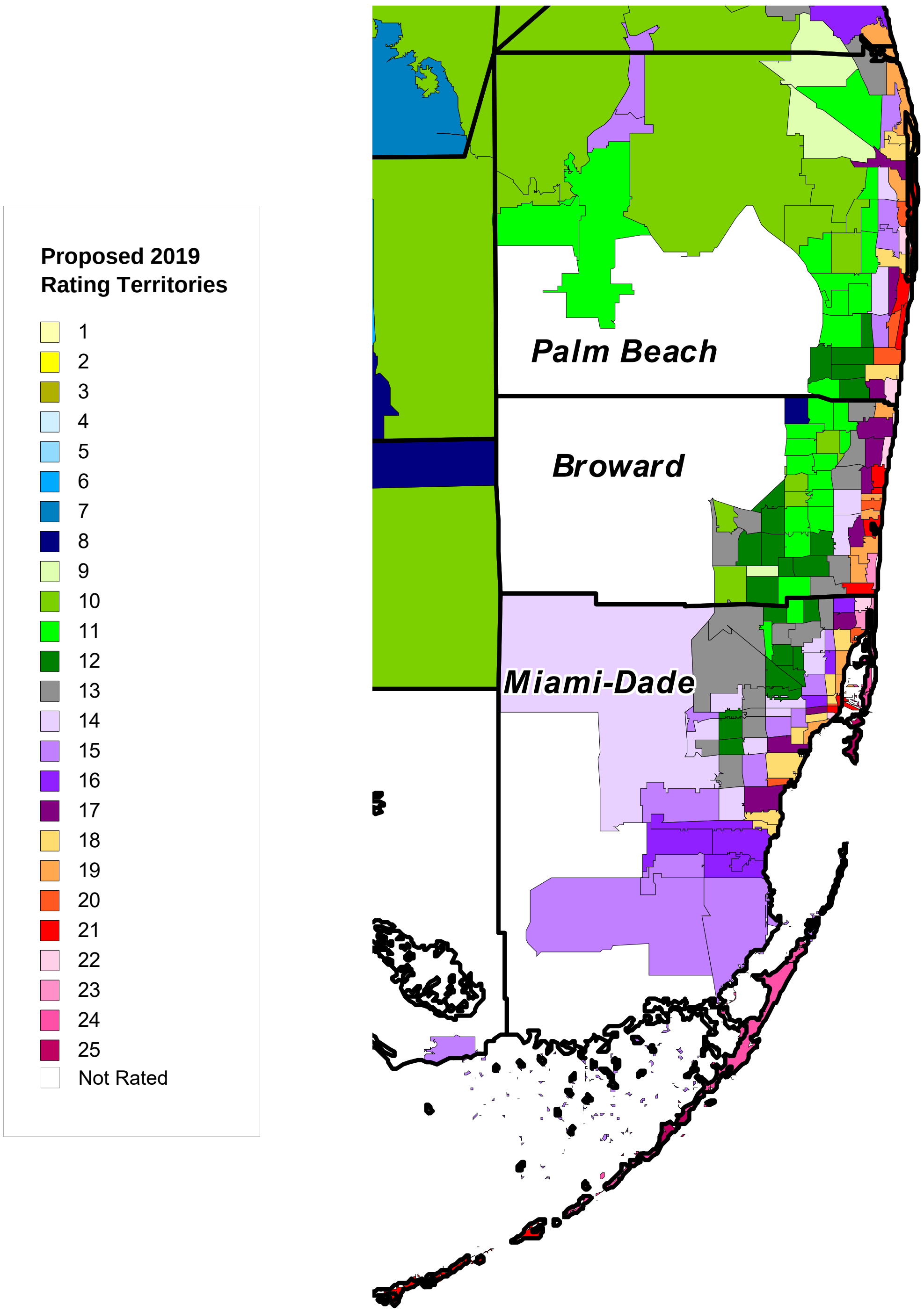
Entire State - Change From 2018 Territories



Florida Hurricane Catastrophe Fund

Proposed 2019 Rating Territories by 5-Digit ZIP Code

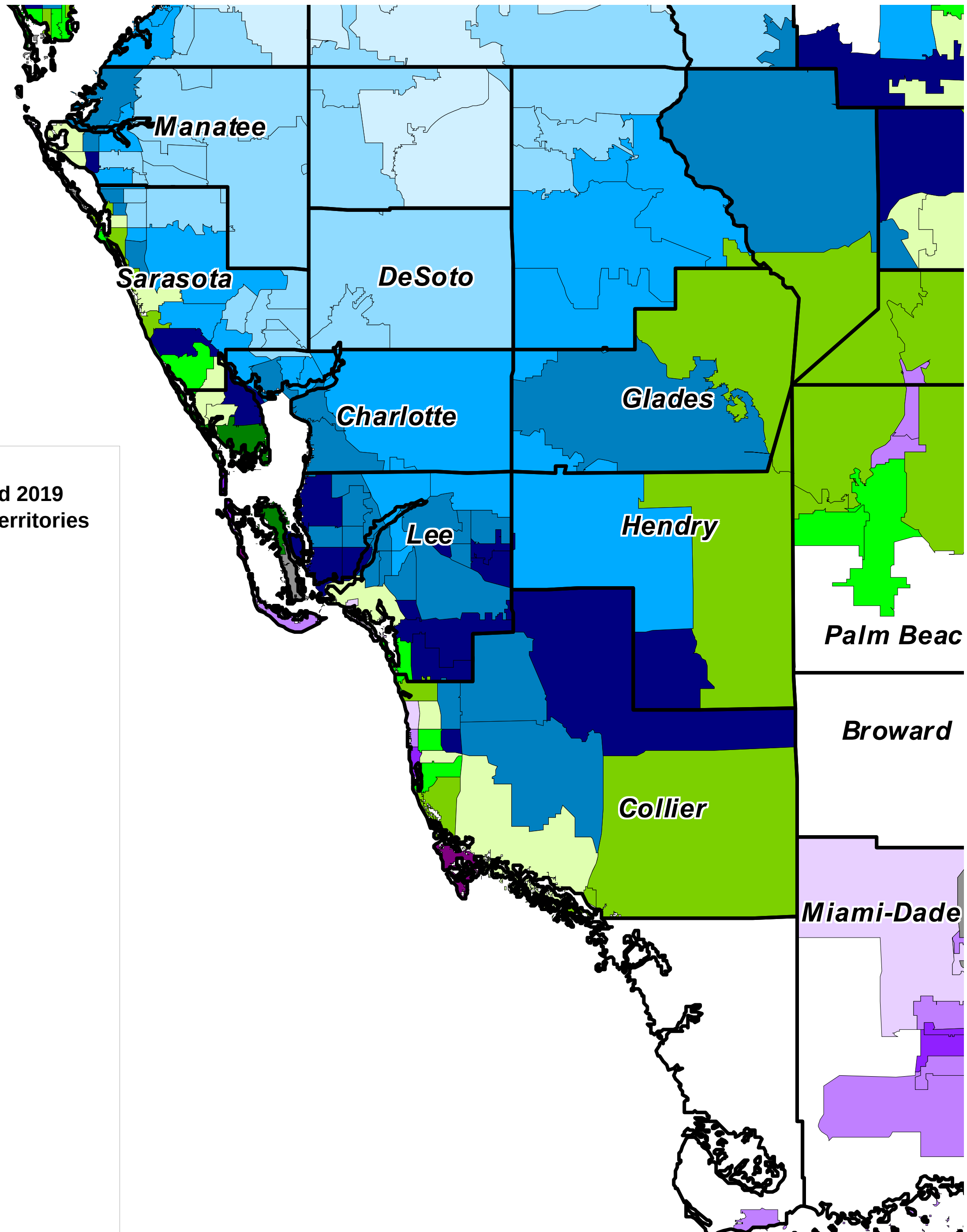
Miami and Surrounding Areas

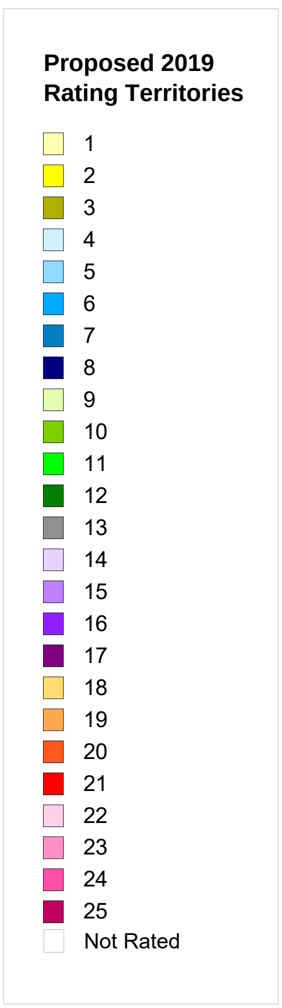


Florida Hurricane Catastrophe Fund

Proposed 2019 Rating Territories by 5-Digit ZIP Code

Fort Myers and Surrounding Areas

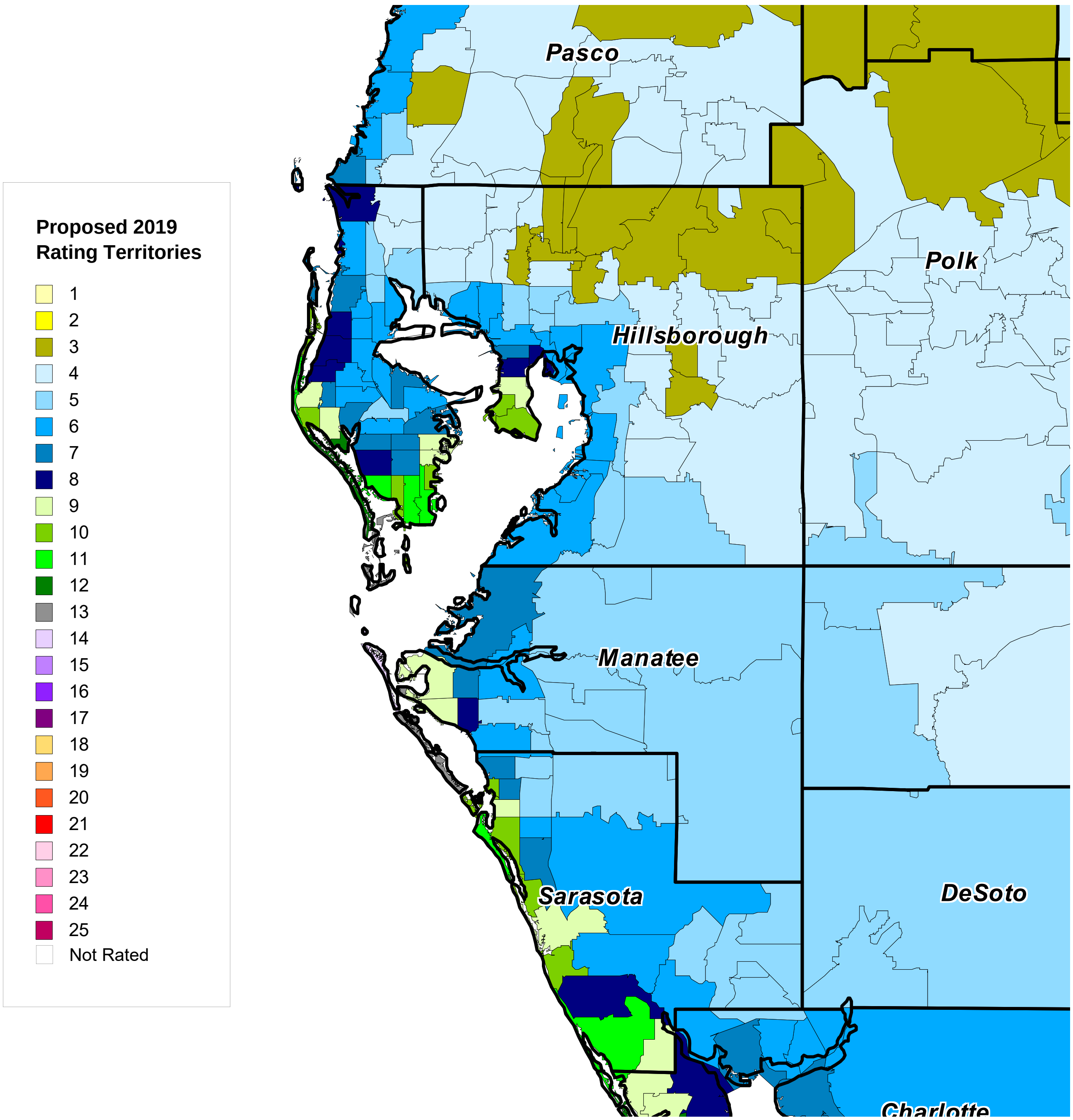




Florida Hurricane Catastrophe Fund

Proposed 2019 Rating Territories by 5-Digit ZIP Code

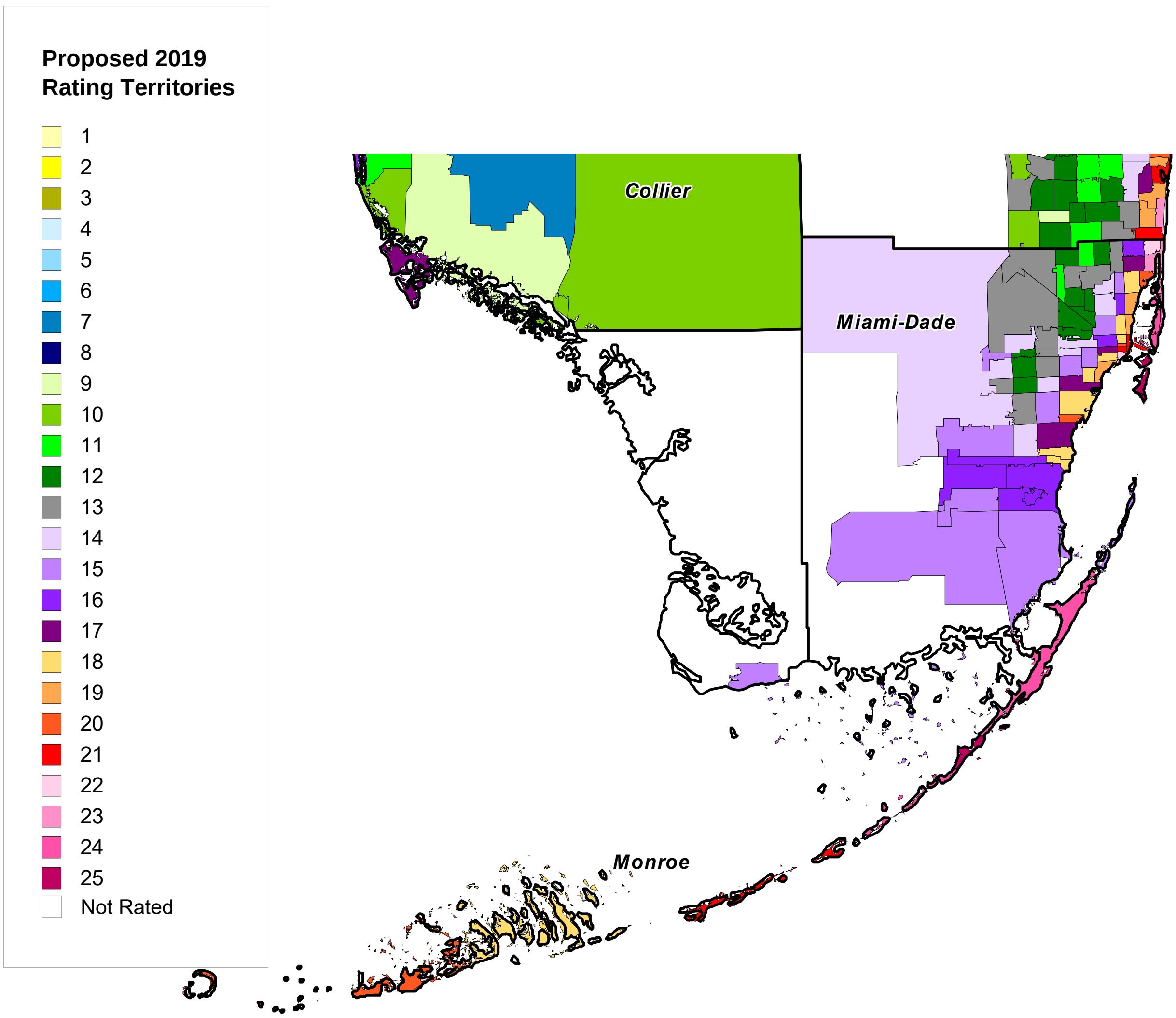
Tampa/Saint Petersburg and Surrounding Areas



Florida Hurricane Catastrophe Fund

Proposed 2019 Rating Territories by 5-Digit ZIP Code

Florida Keys



Florida Hurricane Catastrophe Fund

Memo

TO: Ashbel C. Williams, Executive Director & CIO, SBA

FROM: Anne Bert, Chief Operating Officer, FHCF

DATE: July 10, 2019

SUBJECT: Trustees Meeting, July 25, 2019

Item A: Rule 19-8.010, F.A.C., Reimbursement Contract
Item B: 2019 FHCF Ratemaking Formula Report, Revised July 25, 2019
Item C: Rule 19-8.028, F.A.C., Reimbursement Premium Formula
Item D: Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities

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BACKGROUND: On November 30, 2018, the State Board of Administration Trustees approved Rule 19-8.010, Reimbursement Contract, and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities, along with each rule's incorporated forms for the Florida Hurricane Catastrophe Fund 2019-2020 Contract Year. As required by law, insurers executed their 2019-2020 Reimbursement Contract on or before March 1, 2019, and the Contract went into effect on June 1, 2019.

On April 2, 2019, the State Board of Administration Trustees approved the Florida Hurricane Catastrophe Fund 2019-2020 Ratemaking Formula Report and Rule 19-8.028, Reimbursement Premium Formula, with an effective date of June 1, 2019.

During the 2019 session, the Legislature enacted Section 1 of Chapter 2019-108, Laws of Florida (HB301) which amends 215.555(4)(b)1., Florida Statutes, to increase the loss adjustment expense allowance (LAE) provided by the FHCF to participating insurers from the previous 5% of reimbursed losses to 10% of reimbursed losses beginning with the 2019-2020 Contract Year. On June 18, 2019, the act was signed by the Governor.

This change increases the coverage the FHCF is providing and the losses it would pay out to its participating insurers. Therefore, revisions to these rules are needed in order to implement this new law. The rules and all forms show the proposed amendments with new language underscored and deleted language ~~stricken through~~.

A notice of the meeting of the Board will be published in the *Florida Administrative Register* on July 11, 2019, Vol. 45, No. 134.

SBA AGENDA ITEM A. RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT

BACKGROUND AND SUMMARY OF RULE: Proposed Rule 19-8.010 implements the additional 5% in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM A:

- Summary of Changes, Rule 19-8.010, F.A.C.
- Notice of Proposed Rule, Rule 19-8.010, F.A.C.
- **Rule 19-8.010, F.A.C**., Reimbursement Contract

SBA AGENDA ITEM B. 2019 RATEMAKING FORMULA REPORT, REVISED JULY 25, 2019

BACKGROUND: The Florida Hurricane Catastrophe Fund (FHCF) provides reimbursement to insurers writing residential property insurance in Florida for a portion of their hurricane losses. The FHCF is statutorily required to charge an "actuarially indicated premium" for the coverage provided to the participants pursuant to a premium formula that is developed by an independent consultant and meets specified criteria. The FHCF statute requires that the premium formula be approved by unanimous vote of the Trustees.

In accordance with these statutory requirements, the FHCF has contracted with Paragon Strategic Solutions Inc. to provide the actuarial services necessary to develop the Premium Formula.

The State Board of Administration Trustees previously approved the 2019-2020 Ratemaking Formula Report on April 2, 2019. The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 implements the additional 5% LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature. This change has a uniform 2.18% increase on rates and premiums paid to the FHCF by participating insurers. This could potentially translate to an average premium increase of $4.55 or 0.22% for a typical personal residential homeowners' policy; however, this impact will vary by policyholder.

The Report is also updated to incorporate the actual risk transfer costs to be incurred by the FHCF for the 2019-2020 Contract Year. The previously adopted Report, which was approved before risk transfer costs were known, included in Exhibit XVII, Risk Transfer Options Formula, a formula for calculating the changes to FHCF premiums and rates to reflect the net costs of risk transfer. The revised Report reflects the actual net cost, which resulted in a minimal decrease from the rate under the previously approved Report.

A detailed summary of changes and an explanation of the factors impacting premium and rate changes to the 2019 Ratemaking Formula is available on page 2 of Exhibit 1, Executive Summary.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the revised Ratemaking Formula Report. The revised Report was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTIONS REQUESTED: Request unanimous approval of the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019.

ATTACHMENT TO BE INCLUDED WITH SBA AGENDA ITEM B:

- The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019

SBA AGENDA ITEM C. RULE 19-8.028, F.A.C., REIMBURSEMENT PREMIUM FORMULA

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 to implement the increase in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature and replaces the previously adopted 2019 Ratemaking Formula Report.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and incorporated form. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and for adoption with the Department of State if no member of the public timely requests a rule hearing or if a hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM C:

- Summary of Changes, Rule 19-8.028, F.A.C.
- Notice of Proposed Rule, Rule 19-8.028, F.A.C.
- **Rule 19-8.028, F.A.C**., Reimbursement Premium Formula

SBA AGENDA ITEM D. RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS AND RESPONSIBILITIES

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Form FHCF-L1B, rev. XX/19, Contract Year 2019 Proof of Loss Report which is revised to reflect the 10% loss adjustment expense allowance as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and the incorporated form. The rule and form were presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM D:

- Summary of Changes, Rule 19-8.029, F.A.C.
- Notice of Proposed Rule, Rule 19-8.029, F.A.C.
- **Rule 19-8.029, F.A.C.**, Insurer Reporting Requirements and Responsibilities
- 2019 Incorporated Form: **FHCF-L1B,** Contract Year 2019 Proof of Loss Report

Notice of Meeting/Workshop Hearing

STATE BOARD OF ADMINISTRATION
RULE NO.: RULE TITLE:

19-8.010: Reimbursement Contract

19-8.028: Reimbursement Premium Formula

19-8.029: Insurer Reporting Requirements and Responsibilities

The Florida Hurricane Catastrophe Fund announces a public meeting to which all persons are invited.

DATE AND TIME: July 25, 2019, 9:00 a.m. (ET) to conclusion of the meeting.

PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Trustees of the State Board of Administration to authorize the Florida Hurricane Catastrophe Fund (the Fund) to file Notices of Proposed Rule for Rule 19-8.010, F.A.C., Reimbursement Contract, Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, and to file these rules for adoption if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is needed. Other general business of the Trustees may also be addressed. The rules and incorporated forms are available on the Fund's website: www.sbafla.com/fhcf.

A copy of the agenda may be obtained by contacting: Not available.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Leonard Schulte, Florida Hurricane Catastrophe Fund, (850) 413-1335, leonard.schulte@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

Rule 19-8.028, F.A.C., and Incorporated Form
2019-2020 Contract Year
Summary of Changes as of June 28, 2019

General Description

In order to implement changes enacted by the Legislature in 2019 in Section 1 of Chapter 2019-108, Laws of Florida (HB 301), the State Board of Administration of Florida on behalf of the Florida Hurricane Catastrophe Fund (FHCF) proposes amendment to Rule 19-8.010, F.A.C., Reimbursement Contract, Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities. These rules were previously revised to establish requirements applicable to the 2019-2020 FHCF Contract Year, which began on June 1, 2019; however, the above-cited legislative provision did not become law until June 18, 2019, when the act was signed by the Governor.

Section 1 of Chapter 2019-108 amends s. 215.555(4)(b)1., Florida Statutes, to increase the loss adjustment expense allowance provided by the FHCF to participating insurers from the previous 5% of reimbursed losses to 10% of reimbursed losses beginning with the 2019-2020 Contract Year.

Rule 19-8.028, F.A.C., Reimbursement Premium Formula

Amended: Paragraph (3)(b) is amended to adopt and incorporate by reference the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 in place of the previously adopted Ratemaking Formula Report.

Incorporated Form

The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019, revises the previously-adopted Ratemaking Formula Report for the 2019-2020 Contract year to reflect the legislatively-mandated increase in the loss adjustment expense allowance described above.

The report is also updated to incorporate the actual risk-transfer costs to be incurred by the FHCF for the 2019-2020 Contract Year. The previously-adopted report, which was adopted before risk-transfer costs were known, included in Exhibit XVII, Risk Transfer Options Formula, a formula for calculating the changes to FHCF premiums and rates to reflect the costs of risk transfer, if any. The new Premium Formula Report reflects a recalculation that applies this formula without change, to include the actual risk-transfer costs.

Notice of Proposed Rule

STATE BOARD OF ADMINISTRATION
RULE NO.: RULE TITLE:

19-8.028: Reimbursement Premium Formula

PURPOSE AND EFFECT: The State Board of Administration, Florida Hurricane Catastrophe Fund, seeks to amend Rule 19-8.028, F.A.C., Reimbursement Premium Formula, to implement changes to Section 215.555, Florida Statutes, as enacted by the Legislature in 2019.

SUMMARY: In accordance with Section 215.555(5), Florida Statutes, proposed amended Rule 19-8.028, F.A.C., Reimbursement Premium Formula, adopts a revised 2019-2020 reimbursement premium formula for the Florida Hurricane Catastrophe Fund ("Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019"), to reflect an increase in loss adjustment expense allowance from 5% to 10% of reimbursed losses, beginning with the 2019-2020 Reimbursement Contract.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of $200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: Upon review of the proposed changes to this rule and the incorporated forms, the State Board of Administration of Florida has determined that the rule does not meet the requirements for ratification by the legislature. The changes to the rule do not have an adverse impact on small business and do not directly or indirectly increase regulatory costs in excess of $200,000 in the aggregate within 1 year of implementation. The changes to the rule also do not directly or indirectly have an adverse impact on economic growth, private sector job creation or employment, or private sector investment, business competitiveness or innovation or increase regulatory costs, including any transactional costs, in excess of $1 million in the aggregate within 5 years after the implementation of the rule.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 215.555(3), F.S.

LAW IMPLEMENTED: 215.555(2), (3), (4), (5), (6), (7), F.S.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW:

DATE AND TIME: August 20, 2019, 9:00 a.m. to 10:00 a.m. (ET)

PLACE: Room 116 (Hermitage Conference Room), 1801 Hermitage Blvd., Tallahassee, Florida 32308.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Leonard Schulte, Florida Hurricane Catastrophe Fund, 1801 Hermitage Blvd., Tallahassee, FL 32308, 850-413-1335, leonard.schulte@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Leonard Schulte at the number or email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

19-8.028 Reimbursement Premium Formula.

(1) Purpose. This rule adopts the Premium Formula to determine the Actuarially Indicated Reimbursement Premium to be paid to the Florida Hurricane Catastrophe Fund, as required by section 215.555(5)(b), F.S.

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule:

(a) "SBA" means the State Board of Administration of Florida.

(b) "Contract Year" is defined in section 215.555(2), F.S.

(c) "Independent Consultant" means the independent individual, firm, or organization with which the SBA contracts to prepare the Premium Formula and any other actuarial services for the FHCF, as determined under the contract with the Consultant.

(3) The Premium Formula.

(a) The Formula for determining the Actuarially Indicated Reimbursement Premium to be paid to the Fund, as required by section 215.555(5)(b), F.S., is the rate times the exposure per $1,000 of insured value and this equals the Premium to be paid in dollars. The premium rates are determined by taking into account geographic location by zip code; construction type; policy deductible; type of insurance and other such factors deemed by the SBA to be appropriate. The Formula is developed by an Independent Consultant selected by the SBA, as required by section 215.555(5)(b), F.S.

(b) For the 2019/2020 Contract Year, the Formula developed by the SBA's Independent Consultant, "Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019, http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX,"~~— Presented to the State Board of Administration of Florida March 19, 2019," http://www.flrules.org/Gateway/reference.asp?No=Ref-10433, and~~ as approved by the SBA~~ on April 2, 2019~~, is hereby adopted and incorporated by reference into this rule. The premium rates are developed in accordance with the Premium Formula methodology approved by the SBA.

(4) Special Circumstances.

(a) Allocation of Premium. Premiums paid to the FHCF with reference to property covered by Quota Share Primary Insurance Arrangements, as that phrase is defined in section 627.351(6)(c)2.a.(I), F.S., will be allocated by the FHCF between the Company and Citizens in accordance with the percentages specified in the Quota Share Primary Insurance Arrangement for the purposes of premium billing, calculating retentions and determining reimbursement payments.

(b) Special Rating Circumstances. The Premium Formula for policies that, based upon sound actuarial principles, require individual ratemaking and which are not excluded by rule will be based on the use of computer modeling for each individual Company for which it is applicable, i.e., portfolio modeling. The Independent Consultant will recommend guidelines for individual Company portfolio reporting and modeling to estimate individual Company FHCF expected losses. Individual Company FHCF expected losses for portfolio modeling exposures will be loaded for investments and expenses on the same basis as the FHCF premium rates used for non-portfolio modeling exposures, but will also include a loading for the additional cost of individual Company modeling. The minimum exposure threshold for FHCF portfolio modeling rating will be sufficient to generate estimated FHCF premium greater than the cost of modeling and other considerations and will be calculated by the Independent Consultant for the separate coverage levels of 45%, 75%, and 90% using the premium rates established pursuant to subsection (3). The methodology used by the Independent Consultant will be based on sound actuarial principles to establish greater actuarial equity in the premium structure.

Special recognition is not given to Companies that do not have exposure for Covered Policies for an entire Contract Year, except for New Participants as required by Article X(1) and X(2) of the Reimbursement Contract.

(5) All the forms adopted and incorporated by reference in this rule may be obtained from the FHCF website at www.sbafla.com/fhcf, or from the Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., at 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, MN 55437.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7) FS. History–New 9-20-99, Amended 7-3-00, 9-17-01, 7-17-02, 7-2-03, 7-29-04, 7-17-05, 7-6-06, 7-17-07, 6-16-08, 8-2-09, 7-8-10, 7-3-11, 6-25-12, 6-18-13, 6-10-14, 6-2-15, 5-18-16, 5-30-17, 8-1-18, 5-21-19, Amended X-XX-19.

NAME OF PERSON ORIGINATING PROPOSED RULE: Anne Bert, FHCF Chief Operating Officer, State Board of Administration of Florida.
NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: The Trustees of the State Board of Administration of Florida.
DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 25, 2019
DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: May 16, 2019

DRAFT TO REFLECT HB 301 AS PASSED – 6/27/2019

19-8.028 Reimbursement Premium Formula.

(1) Purpose. This rule adopts the Premium Formula to determine the Actuarially Indicated Reimbursement Premium to be paid to the Florida Hurricane Catastrophe Fund, as required by section 215.555(5)(b), F.S.

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule:

(a) "SBA" means the State Board of Administration of Florida.

(b) "Contract Year" is defined in section 215.555(2), F.S.

(c) "Independent Consultant" means the independent individual, firm, or organization with which the SBA contracts to prepare the Premium Formula and any other actuarial services for the FHCF, as determined under the contract with the Consultant.

(3) The Premium Formula.

(a) The Formula for determining the Actuarially Indicated Reimbursement Premium to be paid to the Fund, as required by section 215.555(5)(b), F.S., is the rate times the exposure per $1,000 of insured value and this equals the Premium to be paid in dollars. The premium rates are determined by taking into account geographic location by zip code; construction type; policy deductible; type of insurance and other such factors deemed by the SBA to be appropriate. The Formula is developed by an Independent Consultant selected by the SBA, as required by section 215.555(5)(b), F.S.

(b) For the 2019/2020 Contract Year, the Formula developed by the SBA's Independent Consultant, "Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019, http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX,"~~ — Presented to the State Board of Administration of Florida March 19, 2019," http://www.flrules.org/Gateway/reference.asp?No=Ref-10433, and~~ as approved by the SBA~~ on April 2, 2019~~, is hereby adopted and incorporated by reference into this rule. The premium rates are developed in accordance with the Premium Formula methodology approved by the SBA.

(4) Special Circumstances.

(a) Allocation of Premium. Premiums paid to the FHCF with reference to property covered by Quota Share Primary Insurance Arrangements, as that phrase is defined in section 627.351(6)(c)2.a.(I), F.S., will be allocated by the FHCF between the Company and Citizens in accordance with the percentages specified in the Quota Share Primary Insurance Arrangement for the purposes of premium billing, calculating retentions and determining reimbursement payments.

(b) Special Rating Circumstances. The Premium Formula for policies that, based upon sound actuarial principles, require individual ratemaking and which are not excluded by rule will be based on the use of computer modeling for each individual Company for which it is applicable, i.e., portfolio modeling. The Independent Consultant will recommend guidelines for individual Company portfolio reporting and modeling to estimate individual Company FHCF expected losses. Individual Company FHCF expected losses for portfolio modeling exposures will be loaded for investments and expenses on the same basis as the FHCF premium rates used for non-portfolio modeling exposures, but will also include a loading for the additional cost of individual Company modeling. The minimum exposure threshold for FHCF portfolio modeling rating will be sufficient to generate estimated FHCF premium greater than the cost of modeling and other considerations and will be calculated by the Independent Consultant for the separate coverage levels of 45%, 75%, and 90% using the premium rates established pursuant to subsection (3). The methodology used by the Independent Consultant will be based on sound actuarial principles to establish greater actuarial equity in the premium structure.

Special recognition is not given to Companies that do not have exposure for Covered Policies for an entire Contract Year, except for New Participants as required by Article X(1) and X(2) of the Reimbursement Contract.

(5) All the forms adopted and incorporated by reference in this rule may be obtained from the FHCF website at www.sbafla.com/fhcf, or from the Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., at 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, MN 55437.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7) FS. History–New 9-20-99, Amended 7-3-00, 9-17-01, 7-17-02, 7-2-03, 7-29-04, 7-17-05, 7-6-06, 7-17-07, 6-16-08, 8-2-09, 7-8-10, 7-3-11, 6-25-12, 6-18-13, 6-10-14, 6-2-15, 5-18-16, 5-30-17, 8-1-18, 5-21-19, Amended X-XX-19.

Florida Hurricane Catastrophe Fund

Memo

TO: Ashbel C. Williams, Executive Director & CIO, SBA

FROM: Anne Bert, Chief Operating Officer, FHCF

DATE: July 10, 2019

SUBJECT: Trustees Meeting, July 25, 2019

Item A: Rule 19-8.010, F.A.C., Reimbursement Contract
Item B: 2019 FHCF Ratemaking Formula Report, Revised July 25, 2019
Item C: Rule 19-8.028, F.A.C., Reimbursement Premium Formula
Item D: Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities

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BACKGROUND: On November 30, 2018, the State Board of Administration Trustees approved Rule 19-8.010, Reimbursement Contract, and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities, along with each rule's incorporated forms for the Florida Hurricane Catastrophe Fund 2019-2020 Contract Year. As required by law, insurers executed their 2019-2020 Reimbursement Contract on or before March 1, 2019, and the Contract went into effect on June 1, 2019.

On April 2, 2019, the State Board of Administration Trustees approved the Florida Hurricane Catastrophe Fund 2019-2020 Ratemaking Formula Report and Rule 19-8.028, Reimbursement Premium Formula, with an effective date of June 1, 2019.

During the 2019 session, the Legislature enacted Section 1 of Chapter 2019-108, Laws of Florida (HB301) which amends 215.555(4)(b)1., Florida Statutes, to increase the loss adjustment expense allowance (LAE) provided by the FHCF to participating insurers from the previous 5% of reimbursed losses to 10% of reimbursed losses beginning with the 2019-2020 Contract Year. On June 18, 2019, the act was signed by the Governor.

This change increases the coverage the FHCF is providing and the losses it would pay out to its participating insurers. Therefore, revisions to these rules are needed in order to implement this new law. The rules and all forms show the proposed amendments with new language underscored and deleted language ~~stricken through~~.

A notice of the meeting of the Board will be published in the *Florida Administrative Register* on July 11, 2019, Vol. 45, No. 134.

SBA AGENDA ITEM A. RULE 19-8.010, F.A.C., REIMBURSEMENT CONTRACT

BACKGROUND AND SUMMARY OF RULE: Proposed Rule 19-8.010 implements the additional 5% in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM A:

- Summary of Changes, Rule 19-8.010, F.A.C.
- Notice of Proposed Rule, Rule 19-8.010, F.A.C.
- **Rule 19-8.010, F.A.C**., Reimbursement Contract

SBA AGENDA ITEM B. 2019 RATEMAKING FORMULA REPORT, REVISED JULY 25, 2019

BACKGROUND: The Florida Hurricane Catastrophe Fund (FHCF) provides reimbursement to insurers writing residential property insurance in Florida for a portion of their hurricane losses. The FHCF is statutorily required to charge an “actuarially indicated premium” for the coverage provided to the participants pursuant to a premium formula that is developed by an independent consultant and meets specified criteria. The FHCF statute requires that the premium formula be approved by unanimous vote of the Trustees.

In accordance with these statutory requirements, the FHCF has contracted with Paragon Strategic Solutions Inc. to provide the actuarial services necessary to develop the Premium Formula.

The State Board of Administration Trustees previously approved the 2019-2020 Ratemaking Formula Report on April 2, 2019. The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 implements the additional 5% LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature. This change has a uniform 2.18% increase on rates and premiums paid to the FHCF by participating insurers. This could potentially translate to an average premium increase of $4.55 or 0.22% for a typical personal residential homeowners’ policy; however, this impact will vary by policyholder.

The Report is also updated to incorporate the actual risk transfer costs to be incurred by the FHCF for the 2019-2020 Contract Year. The previously adopted Report, which was approved before risk transfer costs were known, included in Exhibit XVII, Risk Transfer Options Formula, a formula for calculating the changes to FHCF premiums and rates to reflect the net costs of risk transfer. The revised Report reflects the actual net cost, which resulted in a minimal decrease from the rate under the previously approved Report.

A detailed summary of changes and an explanation of the factors impacting premium and rate changes to the 2019 Ratemaking Formula is available on page 2 of Exhibit 1, Executive Summary.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the revised Ratemaking Formula Report. The revised Report was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTIONS REQUESTED: Request unanimous approval of the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019.

ATTACHMENT TO BE INCLUDED WITH SBA AGENDA ITEM B:

- The Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019

SBA AGENDA ITEM C. RULE 19-8.028, F.A.C., REIMBURSEMENT PREMIUM FORMULA

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Florida Hurricane Catastrophe Fund 2019 Ratemaking Formula Report Revised July 25, 2019 to implement the increase in the LAE allowance for the 2019-2020 Contract Year as enacted by the 2019 Legislature and replaces the previously adopted 2019 Ratemaking Formula Report.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and incorporated form. The rule was presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and for adoption with the Department of State if no member of the public timely requests a rule hearing or if a hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM C:

- Summary of Changes, Rule 19-8.028, F.A.C.
- Notice of Proposed Rule, Rule 19-8.028, F.A.C.
- **Rule 19-8.028, F.A.C**., Reimbursement Premium Formula

SBA AGENDA ITEM D. RULE 19-8.029, F.A.C., INSURER REPORTING REQUIREMENTS AND RESPONSIBILITIES

BACKGROUND AND SUMMARY OF RULE: The proposed rule adopts the Form FHCF-L1B, rev. XX/19, Contract Year 2019 Proof of Loss Report which is revised to reflect the 10% loss adjustment expense allowance as enacted by the 2019 Legislature.

EXTERNAL INTEREST: A publicly noticed rule development workshop was held on May 30, 2019. Representatives of the FHCF attended and presented the rule and the incorporated form. The rule and form were presented, discussed, and favorably recommended by the FHCF Advisory Council at a public meeting on May 30, 2019.

ACTION REQUESTED: It is requested that the proposed amendments to this rule along with the incorporated form be presented to the State Board of Administration Trustees on July 25, 2019, with a request to approve the filing of this rule for Notice of Proposed Rule and to approve filing for adoption with the Department of State if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is necessary.

ATTACHMENTS TO BE INCLUDED WITH SBA AGENDA ITEM D:

- Summary of Changes, Rule 19-8.029, F.A.C.
- Notice of Proposed Rule, Rule 19-8.029, F.A.C.
- **Rule 19-8.029, F.A.C.**, Insurer Reporting Requirements and Responsibilities
- 2019 Incorporated Form: **FHCF-L1B,** Contract Year 2019 Proof of Loss Report

Notice of Meeting/Workshop Hearing

STATE BOARD OF ADMINISTRATION

RULE NO.: RULE TITLE:

19-8.010: Reimbursement Contract

19-8.028: Reimbursement Premium Formula

19-8.029: Insurer Reporting Requirements and Responsibilities

The Florida Hurricane Catastrophe Fund announces a public meeting to which all persons are invited.

DATE AND TIME: July 25, 2019, 9:00 a.m. (ET) to conclusion of the meeting.

PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Trustees of the State Board of Administration to authorize the Florida Hurricane Catastrophe Fund (the Fund) to file Notices of Proposed Rule for Rule 19-8.010, F.A.C., Reimbursement Contract, Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, and to file these rules for adoption if no member of the public timely requests a rule hearing or if a rule hearing is requested but no Notice of Change is needed. Other general business of the Trustees may also be addressed. The rules and incorporated forms are available on the Fund's website: www.sbafla.com/fhcf.

A copy of the agenda may be obtained by contacting: Not available.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Leonard Schulte, Florida Hurricane Catastrophe Fund, (850) 413-1335, leonard.schulte@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

Rule 19-8.029, F.A.C., and Incorporated Form
2019-2020 Contract Year
Summary of Changes as of June 28, 2019

General Description

In order to implement changes enacted by the Legislature in 2019 in Section 1 of Chapter 2019-108, Laws of Florida (HB 301), the State Board of Administration of Florida on behalf of the Florida Hurricane Catastrophe Fund (FHCF) proposes amendment to Rule 19-8.010, F.A.C., Reimbursement Contract, Rule 19-8.028, F.A.C., Reimbursement Premium Formula, and Rule 19-8.029, Insurer Reporting Requirements and Responsibilities. These rules were previously revised to establish requirements applicable to the 2019-2020 FHCF Contract Year, which began on June 1, 2019; however, the above-cited legislative provision did not become law until June 18, 2019, when the act was signed by the Governor.

Section 1 of Chapter 2019-108 amends s. 215.555(4)(b)1., Florida Statutes, to increase the loss adjustment expense allowance provided by the FHCF to participating insurers from the previous 5% of reimbursed losses to 10% of reimbursed losses beginning with the 2019-2020 Contract Year.

Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities

Amended: Paragraph (4)(b) is amended to incorporate by reference a revised Form FHCF-L1B, Contract Year 2019 Proof of Loss Report.

Incorporated Form

Form FHCF-L1B, rev. XX/19, Contract Year 2019 Proof of Loss Report

The Proof of Loss Report form is revised to reflect the 10% loss adjustment expense allowance (i.e., the 5% as provided in the executed Reimbursement Contract, plus the 5% additional allowance as provided in revised Rule 19-8.010).

Notice of Proposed Rule

STATE BOARD OF ADMINISTRATION
RULE NO.: RULE TITLE:

19-8.029: Insurer Reporting Requirements and Responsibilities

PURPOSE AND EFFECT: The State Board of Administration, Florida Hurricane Catastrophe Fund, seeks to amend Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, to implement changes to Section 215.555, Florida Statutes, as enacted by the Legislature in 2019.

SUMMARY: In general, Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, addresses reporting and examination requirements. The proposed revision to Rule 19-8.029, F.A.C., Insurer Reporting Requirements and Responsibilities, adopts a revised loss reporting form to reflect an increase in loss adjustment expense allowance from 5% to 10% of reimbursed losses, beginning with the 2019-2020 Reimbursement Contract.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of $200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: Upon review of the proposed changes to these two rules and the incorporated forms, the State Board of Administration of Florida has determined that neither rule meets the requirements for ratification by the legislature. The changes to these rules do not have an adverse impact on small business and do not directly or indirectly increase regulatory costs in excess of $200,000 in the aggregate within 1 year of implementation. The changes to these rules also do not directly or indirectly have an adverse impact on economic growth, private sector job creation or employment, or private sector investment, business competitiveness or innovation or increase regulatory costs, including any transactional costs, in excess of $1 million in the aggregate within 5 years after the implementation of either rule.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 215.555(3), F.S.

LAW IMPLEMENTED: 215.555(2), (3), (4), (5), (6), (7), (10), F.S.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW:

DATE AND TIME: August 20, 2019, 9:00 a.m. to 10:00 a.m. (ET)

PLACE: Room 116 (Hermitage Conference Room), 1801 Hermitage Blvd., Tallahassee, Florida 32308.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Leonard Schulte, Florida Hurricane Catastrophe Fund, 1801 Hermitage Blvd., Tallahassee, FL 32308, 850-413-1335, leonard.schulte@sbafla.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Leonard Schulte at the number or email listed above.

THE FULL TEXT OF THE PROPOSED RULE IS:

19-8.029 Insurer Reporting Requirements and Responsibilities.

(1) Purpose. This rule specifies certain deadlines and other requirements for insurers that participate in the Florida Hurricane Catastrophe Fund (FHCF).

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule and the forms referenced in this rule:

(a) "Contract Year" is defined in section 215.555(2), F.S.

(b) "Insurer" or "Company" means an insurer that is required to enter into a Reimbursement Contract.

(3) Data Call form. For the 2019/2020 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, "Florida Hurricane Catastrophe Fund 2019 Data Call," rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10199, which is hereby adopted and incorporated by reference into this rule.

(4) Loss reporting forms.

(a) For the 2019/2020 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, "Contract Year 2019 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10200, which is hereby adopted and incorporated by reference into this rule.

(b) For the 2019/2020 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, "Contract Year 2019 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," rev. XX/19 ~~01/19~~, http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref-10201~~, which is hereby adopted and incorporated by reference into this rule.

(c) For the 2019/2020 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, "Contract Year 2019 Detailed Claims Listing Instructions," rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10202, which is hereby adopted and incorporated by reference into this rule.

(5) Examination.

(a) Advance examination record requirements. Within 30 days after the date of the request for such information, a Company must provide the FHCF with the records indicated in the applicable Contract Year's "Exposure Examination Advance Preparation Instructions" or in the applicable Contract Year's "Claims Examination Advance Preparation Instructions." The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. For the 2019/2020 Contract Year, the applicable exposure examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination – Contract Year 2019 Advance Preparation Instructions," FHCF-EAP1, rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10203, which is hereby adopted and incorporated by reference into this rule. The applicable claims examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Claims Examination – Contract Year 2019 Advance Preparation Instructions," FHCF-LAP1, rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10204, which is hereby adopted and incorporated by reference into this rule.

(b) Consequences for failure to meet the requirements contained in the FHCF-EAP1, "Exposure Examination Advance Preparation Instructions" or the FHCF-LAP1, "Claims Examination Advance Preparation Instructions." In addition to other penalties or consequences, the FHCF has the authority, pursuant to section 215.555(4)(f), F.S., to require that the Company pay for the following services under the circumstances specified herein:

1. If the Company is responsible for the delay of an examination, the inability to conduct an examination as scheduled, or the inability to complete an examination, the Company shall be required to reimburse the FHCF for all the usual and customary expenses connected to such delay, cancellation, or incompletion.

2. If the FHCF finds any Company's records or other necessary information to be inadequate or inadequately posted, recorded, or maintained, the FHCF may employ experts to reconstruct, rewrite, record, post, or maintain such records or information, at the expense of the Company being examined.

3. A Company required to reimburse the FHCF for costs as required in subparagraphs 1. and 2. is liable for interest

on the amount owed to the FHCF from the date the FHCF pays such expenses until the date payment from the Company is received. The applicable interest rate will be the average rate earned by the SBA for the FHCF for the first four months of the current Contract Year plus 5%. The payment of reimbursements or refunds by the FHCF to the Company will be offset by any amounts owed by that Company to the FHCF under this paragraph.

(6) Company contact information. Companies must submit Form FHCF C-1, Company Contact Information, by March 1 preceding each Contract Year to the FHCF Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, Minnesota 55437. A New Participant must submit Form FHCF C-1 within 30 calendar days after writing its first Covered Policy. This form must be updated by the Company as the information provided thereon changes. The FHCF shall have the right to rely upon the information provided by the Company to the FHCF on this form until receipt by the FHCF of a new properly completed and notarized Form FHCF C-1 from the Company.

(7) Deadlines. If any deadline provided for herein falls on a Saturday, Sunday or on a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or legal State of Florida or federal holiday.

(8) All the forms adopted and incorporated by reference in this rule may be obtained from the FHCF website at www.sbafla.com/fhcf or by contacting the Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, MN 55437.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7), (15), 627.351(6), FS. History–New 5-17-99, Amended 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 5-10-06, 5-8-07, 6-8-08, 3-30-09, 8-2-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13; 4-24-14, 5-12-15, 3-13-16, 1-24-17, 1-29-19, Amended X-XX-19.

NAME OF PERSON ORIGINATING PROPOSED RULE: Anne T. Bert, FHCF Chief Operating Officer, State Board of Administration of Florida.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: The Trustees of the State Board of Administration of Florida.

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: July 25, 2019

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: May 16, 2019

DRAFT TO REFLECT HB 301 AS PASSED – 5/29/2019

19-8.029 Insurer Reporting Requirements and Responsibilities.

(1) Purpose. This rule specifies certain deadlines and other requirements for insurers that participate in the Florida Hurricane Catastrophe Fund (FHCF).

(2) Definitions. The definitions in the Reimbursement Contract for the applicable Contract Year also apply to this rule and the forms referenced in this rule. In addition, as used in this rule and the forms referenced in this rule:

(a) "Contract Year" is defined in section 215.555(2), F.S.

(b) "Insurer" or "Company" means an insurer that is required to enter into a Reimbursement Contract.

(3) Data Call form. For the 2019/2020 Contract Year, the reporting of Company exposure data shall be in accordance with Form FHCF-D1A, "Florida Hurricane Catastrophe Fund 2019 Data Call," rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10199, which is hereby adopted and incorporated by reference into this rule.

(4) Loss reporting forms.

(a) For the 2019/2020 Contract Year, the reporting of estimated Ultimate Net Loss shall be in accordance with Form FHCF-L1A, "Contract Year 2019 Interim Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10200, which is hereby adopted and incorporated by reference into this rule.

(b) For the 2019/2020 Contract Year, the reporting of Ultimate Net Loss shall be in accordance with Form FHCF-L1B, "Contract Year 2019 Proof of Loss Report, Florida Hurricane Catastrophe Fund (FHCF)," rev. XX/19 ~~01/19~~, http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref-10201~~, which is hereby adopted and incorporated by reference into this rule.

(c) For the 2019/2020 Contract Year, the applicable Detailed Claims Listing Instructions is Form FHCF-DCL, "Contract Year 2019 Detailed Claims Listing Instructions," rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10202, which is hereby adopted and incorporated by reference into this rule.

(5) Examination.

(a) Advance examination record requirements. Within 30 days after the date of the request for such information, a Company must provide the FHCF with the records indicated in the applicable Contract Year's "Exposure Examination Advance Preparation Instructions" or in the applicable Contract Year's "Claims Examination Advance Preparation Instructions." The FHCF may grant an extension of 30 days if the Company can show that the need for the additional time is due to circumstances beyond its reasonable control. For the 2019/2020 Contract Year, the applicable exposure examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Exposure Examination – Contract Year 2019 Advance Preparation Instructions," FHCF-EAP1, rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10203, which is hereby adopted and incorporated by reference into this rule. The applicable claims examination instructions form is the "Florida Hurricane Catastrophe Fund (FHCF) Claims Examination – Contract Year 2019 Advance Preparation Instructions," FHCF-LAP1, rev. 01/19, http://www.flrules.org/Gateway/reference.asp?No=Ref-10204, which is hereby adopted and incorporated by reference into this rule.

(b) Consequences for failure to meet the requirements contained in the FHCF-EAP1, "Exposure Examination Advance Preparation Instructions" or the FHCF-LAP1, "Claims Examination Advance Preparation Instructions." In addition to other penalties or consequences, the FHCF has the authority, pursuant to section 215.555(4)(f), F.S., to require that the Company pay for the following services under the circumstances specified herein:

1. If the Company is responsible for the delay of an examination, the inability to conduct an examination as scheduled, or the inability to complete an examination, the Company shall be required to reimburse the FHCF for all the usual and customary expenses connected to such delay, cancellation, or incompletion.

2. If the FHCF finds any Company's records or other necessary information to be inadequate or inadequately posted, recorded, or maintained, the FHCF may employ experts to reconstruct, rewrite, record, post, or maintain such records or information, at the expense of the Company being examined.

3. A Company required to reimburse the FHCF for costs as required in subparagraphs 1. and 2. is liable for interest on the amount owed to the FHCF from the date the FHCF pays such expenses until the date payment from the Company is received. The applicable interest rate will be the average rate earned by the SBA for the FHCF for the first four months of the current Contract Year plus 5%. The payment of reimbursements or refunds by the FHCF to the Company will be offset by any amounts owed by that Company to the FHCF under this paragraph.

(6) Company contact information. Companies must submit Form FHCF C-1, Company Contact Information, by March 1 preceding each Contract Year to the FHCF Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite

1100, Minneapolis, Minnesota 55437. A New Participant must submit Form FHCF C-1 within 30 calendar days after writing its first Covered Policy. This form must be updated by the Company as the information provided thereon changes. The FHCF shall have the right to rely upon the information provided by the Company to the FHCF on this form until receipt by the FHCF of a new properly completed and notarized Form FHCF C-1 from the Company.

(7) Deadlines. If any deadline provided for herein falls on a Saturday, Sunday or on a legal State of Florida or federal holiday, then the actual due date will be the day immediately following the applicable due date which is not a Saturday, Sunday or legal State of Florida or federal holiday.

(8) All the forms adopted and incorporated by reference in this rule may be obtained from the FHCF website at www.sbafla.com/fhcf or by contacting the Florida Hurricane Catastrophe Fund Administrator, Paragon Strategic Solutions Inc., 8200 Tower, 5600 West 83rd Street, Suite 1100, Minneapolis, MN 55437.

Rulemaking Authority 215.555(3) FS. Law Implemented 215.555(2), (3), (4), (5), (6), (7), (15), 627.351(6), FS. History–New 5-17-99, Amended 6-19-00, 6-3-01, 6-2-02, 11-12-02, 5-13-03, 5-19-04, 8-29-04, 5-29-05, 5-10-06, 5-8-07, 6-8-08, 3-30-09, 8-2-09, 3-29-10, 8-8-10, 7-20-11, 5-22-12, 3-17-13; 4-24-14, 5-12-15, 3-13-16, 1-24-17, 1-29-19, Amended X-XX-19.

DRAFT TO RELECT HB 301 AS PASSED - 5/29/2019

Contract Year 2019 Proof of Loss Report
Florida Hurricane Catastrophe Fund (FHCF)

Company Name: ______________________________ Co. NAIC No.: ______________

Group NAIC No. (if applicable): ______________ Losses as of (most current data available): ______________

HURRICANE: ______________________ Report Due Date: ______________________

SECTION I - MANDATORY **ULTIMATE NET LOSSES ON COVERED POLICIES**

	Commercial-Residential	Residential	Mobile Home	Tenants	Condominium Unit Owners	Total
A. Paid Loss*						
B. Outstanding Loss*						
C. IBNR (unknown losses)*						
D. TOTAL*						

* Report Ultimate Net Losses only (report in whole dollars, rounded only to the nearest whole dollar, with the exception of IBNR). Do not include Loss Adjustment Expenses. If your Company has negative IBNR numbers, report the negatives; do not net with the Outstanding Loss numbers. See Article V of the Reimbursement Contract for the definitions of Covered Event, Covered Policy, and Ultimate Net Loss. See Article VI of the Reimbursement Contract for specific coverage exclusions. Copies of this Proof of Loss Report, the Reimbursement Contract, and additional information can be found on the Internet at www.sbafla.com/fhcf.

SECTION II - OPTIONAL **ESTIMATED RECOVERABLE FROM THE FHCF**

Section II is provided for your Company's use only. The FHCF will calculate loss reimbursements based on the information provided under Section I above.

		Incurred Basis
A. Incurred Ultimate Net Loss	(Sec. I.D)	
B. Less Actual Retention		
C. Subtotal (minimum of -0-)	(A - B)	
D. Elected Coverage Percentage		
E. Ultimate Net Loss Excess Retention	(C x D)	
F. LAE (~~5~~10% of Incurred Losses in Excess of Retention)	(E x ~~5~~10%)	
G. Estimated Recoverable from the FHCF on Incurred Basis**	(E + F)	

***Estimated recoverables are limited by your Company's share of the claims-paying capacity of the FHCF, as limited pursuant to Section 215.555(4)(c), Florida Statutes.*

		Paid Basis
A. Paid Ultimate Net Loss	(Sec. I.A)	
B. Less Actual Retention		
C. Subtotal (minimum of -0-)	(A – B)	
D. Elected Coverage Percentage		
E. Ultimate Net Loss Excess of Retention	(C x D)	
F. LAE (~~5~~10% of Paid Losses in Excess of Retention)	(E x ~~5~~10%)	
G. Total Estimated Recoverable	(E + F)	
H. Previous Reimbursements		
I. Estimated Recoverable from the FHCF this request**	(G – H)	

Company Name: ____ **Hurricane:** ____________________

SECTION III - MANDATORY **SIGNATURES**

We, the undersigned, do state that, to the best of our knowledge, all data reported under Section I of this Proof of Loss Report is accurate and is for losses under FHCF Covered Policies incurred by the named Company (Company) for the named hurricane. All reported information is subject to examination by the State Board of Administration of Florida (SBA). We are each, respectively, officers of the Company, acting within our authority in making this declaration, and we have conducted, or have had conducted, a thorough review of the Company's records and systems to determine the truth of this statement.

Signature: ______________________ Officer Title: ______________________ Date: ______________

Printed or Typed Name of Officer: ________________________________

Signature: ______________________ Officer Title: ______________________ Date: ______________

Printed or Typed Name of Officer: ________________________________

RECORDS RETENTION REQUIREMENTS

Companies reporting Losses and receiving reimbursements or advances from the FHCF for paid Losses from Covered Events are subject to examination by the FHCF or its agents pursuant to the Reimbursement Contract entered into between the Company and the FHCF. Therefore, all Companies shall retain complete and accurate records (including the Detailed Claims Listing – see below) of all losses reported to the FHCF until the FHCF has completed its examination of the Company and commutation for the Contract Year (if applicable) has been concluded. All records, correspondence, and supporting documentation, must be available with computer runs produced containing the information below. Upon notice of an examination, the Company will be required to provide a current Form FHCF-L1B (Proof of Loss Report) and the following information along with the information outlined in Form FHCF-LAP1 "Claims Examination Advance Preparation Instructions" for the applicable Contract Year.

1. **Detailed Claims Listing (see Contract Year 2019 Form FHCF-DCL for file formatting requirements) which supports the Losses reported on the Proof of Loss Report including:**
   - Claim number
   - Date of Loss
   - Policy number
   - Policy effective date
   - FHCF type of business
   - County code
   - County name
   - ZIP Code
   - Paid Loss – habitational building
   - Paid Loss – appurtenant structure
   - Paid Loss – contents
   - Paid Loss – Additional Living Expense
   - Outstanding Loss reserve
2. **Claim files which include documentation of the following:**
   - First notice of Loss
   - Claim number
   - Date of Loss
   - Amount of Loss for each category of coverage (building, appurtenant structure, contents, and Additional Living Expense)
   - Claim description
   - Payment history
   - Policy number and location of property
   - Amount of Loss Adjustment Expense
   - All adjuster estimates, including public adjuster estimates if provided to the Company
   - Copies of checks for payment of Losses
   - Evidence of salvage received
   - Evidence of whether the deductible was applied
   - Receipts for any Additional Living Expenses paid
   - Evidence to show the Loss was a direct result of a hurricane
   - Documentation of policyholder's legal fees and/or public adjuster fees paid, if provided to the Company
3. **Additional detail on the claims examination requirements can be accessed on the Internet at www.sbafla.com/fhcf.**

SUBMISSION INSTRUCTIONS

A Company must submit an initial Detailed Claims Listing to support the Losses reported in the Proof of Loss Report at the same time it submits its first Proof of Loss Report for a specific Covered Event that qualifies the Company for reimbursement under that Covered Event, and should be prepared to supply a Detailed Claims Listing for any subsequent Proof of Loss Report as required by Rule 19-8.029, Florida Administrative Code, or upon the request of the FHCF. The Proof of Loss Report and Detailed Claims Listing must be submitted electronically through the FHCF Online Claims System at www.sbafla.com/fhcf under Online Reporting. Users will input the required fields of Section I of the Proof of Loss Report directly into the system and will upload the associated Detailed Claims Listing, and two officers must sign off on each Proof of Loss Report online prior to submission. Advance registration (including officers) is required for the Online Claims System; instructions are included on the system web site.

STATE OF FLORIDA

ASHLEY MOODY
ATTORNEY GENERAL

June 24, 2019

Mr. Ash Williams
Executive Director
State Board of Administration
1801 Hermitage Boulevard
Tallahassee, Florida 32308

Dear Mr. Williams:

Pursuant to section 215.444, Florida Statutes, it is my pleasure to nominate Todd Neville to serve on the State Board of Administration Audit Committee for a four year term beginning September 1, 2019. I am requesting this proposed appointment be placed on the next SBA agenda for confirmation by the Board of Trustees of the State Board of Administration.

Mr. Neville is the Managing Partner of the Neville Wainio CPA firm in St. Augustine. You may contact him at (904) 501-0900 or tneville@nevillewainio.com.

Sincerely,

Ashley Moody

Ashley Moody
Attorney General

Enclosure:
Resume of Mr. Todd Neville

Todd Neville, CPA

PO Box 1718
St. Augustine, FL 32085

Cell: 904-501-0900
Email: tneville@nevillewainio.com

Highlights of Qualifications

- Expectation of quality.
- More than 20 years of audit experience in the public accounting field.
- Ability to align financial goals and controls with organizational strategic initiatives.
- Ability to work with and/or lead an accounting team.
- Institutional relationships.

Professional Experience

Neville Wainio CPAs (aka Neville Breidenstein Wainio CPAs)
2011 – Present
Managing Partner

Client mix includes institutional clients of $10M-$180M balance sheets. Responsibilities encompass all aspects of the business: operational management, budgeting and monitoring, cash flow management, client relationships, staff development, project prioritization, risk mitigation, sales and marketing, community outreach, compliance, facilities, etc. To ensure team buy-in and strategic direction, began annual partner meetings every fall. Consistently grew the business through an expectation of quality and responsiveness. Led team of six to twelve accountants.

Service focus has slowly shifted from a sole focus of auditing and compliance to the assistance of client's financial management and accounting systems. Such services include:

- Creating accounting policy manuals and recommending internal control improvements.
- Preparing and monitoring cash flow modeling and budgets.
- Monthly financial analysis at management meetings.
- Year-end close and preparation of workpapers for independent auditors.
- Organizational structure to ensure adequate segregation of duties.
- Expert witness services.

Taylor Wainio & Neville, P.A. (aka Taylor & Wainio, P.A.)
1999 – 2011
Audit Partner (promoted in 2003)

Responsibilities included client relationships, project prioritization, compliance, quality control, auditor/accountant development, staffing, financial statement review, etc. Migrated the firm to a paperless environment from 2000-2003.

Community Experience

City of Saint Augustine (the "City")
2014 – 2018 (Did not run for re-election)
Vice Mayor/Commissioner

Led the City and the Commission in the modernization of its financial management and oversight through the following initiatives:

- Adoption, implementation and measurement of a strategic plan.
- Migration to a budget model that aligns with the strategic plan.
- Addition of monthly financial statement review as part of management and board oversight.
- Addition of financial metrics to monitor quarterly operational performance.
- Implementation of an audit committee to layer oversight between management and the independent auditors.
- Started a succession planning program for upper management.
- Analysis and determination of bond refinancing.
- Ratings agency upgrade.
- Integral in the creation of the position of Director of Budgeting and Strategic Planning.

City of Saint Augustine (the "City")
2017 – Present
Chairman of the Audit Committee

Serves as the committee's "financial expert" to comply with City policy. Led the committee through two audit cycles.

Todd Neville, CPA

PO Box 1718
St. Augustine, FL 32085

Cell: 904-501-0900
Email: tneville@nevillewainio.com

Flagler Health+ (previously Flagler Hospital)
2009 – Present
Board Member
Service in the following board capacities:

- Several strategic planning cycles in a rapidly changing industry (payment model shift).
- Investment and Finance Committee ($130M portfolio).
- Audit Committee as one of two CPAs who directly interact with KPMG when audit issues arise.
- Member of the decision team in hiring the current CFO.
- Vice Chairman during the restructuring of the organization and consolidation of the boards.
- Acquisitions of various revenue centers and properties.
- Implementation of system wide EMR installation and launch.
- Analysis and determination of bond issuances.

Education

Indiana University, B.S. in Business with a Concentration in Accounting – 1997

Certified Public Accountant – 1998 (passed all sections on first attempt)

Florida CPA License
2002 – Present
Required to complete 80 hours of continuing education every two years in fields of study that will improve audit knowledge and skills. Required to meet the 24 hours of governmental auditing and accounting continuing education.

Community Service

Member of the Florida Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. Vast board experience as noted below:

- Board Member, Flagler Hospital
- Past Vice Mayor and City Commissioner of the City of St. Augustine
- Board Member, Community Leadership Council
- Board Member, Accountability Group
- Past Vice Chairman, Flagler Health Care Systems (Flagler Hospital parent board)
- Past Advisory Board Member, First Atlantic Bank
- Past Vice Chairman and Past Treasurer, St. Johns County Chamber of Commerce
- Past Treasurer, Florida House of Representatives member Bill Proctor
- Past President, St. Augustine Rotary Club
- Past President, Ancient City Road Runners
- Past Treasurer, Road Runner Club of America (180,000 members)

Investment Policy Statement
Local Government Surplus Funds Trust Fund (Non-Qualified)
Effective June 13, 2018

I. Purpose and Scope

The purpose of this Investment Policy Statement ("Policy") is to set forth the investment objective, investment strategies, and authorized portfolio securities for the Local Government Surplus Funds Trust Fund ("Florida PRIME"). The Policy also describes the risks associated with an investment in Florida PRIME.

II. Overview of Florida PRIME

The Local Government Surplus Funds Trust Fund was created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, Florida Statutes). The State Board of Administration ("SBA") is charged with the powers and duties to administer and invest Florida PRIME, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(10), Florida Statutes. The SBA has contracted with Federated Investment Counseling (the "Investment Manager") to provide investment advisory services for Florida PRIME.

Florida PRIME is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, "Applicable Florida Law").

III. Roles and Responsibilities

The Board of Trustees of the SBA ("Trustees") consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees will annually certify that Florida PRIME is in compliance with the requirements of Chapter 218, Florida Statutes, and that the management of Florida PRIME is in accord with best investment practices.

The Trustees delegate the administrative and investment authority to manage Florida PRIME to the Executive Director of the SBA, subject to Applicable Florida Law. The Trustees appoint an Investment Advisory Council~~ and a Participant Local Government Advisory Council~~. ~~Both~~The Council~~s~~ will, at least annually, review this Policy and any proposed changes prior to its presentation to the Trustees and will undertake other duties set forth in Applicable Florida Law.

IV. Amortized Cost Accounting

In March 1997, the Governmental Accounting Standards Board ("GASB") issued Statement 31, titled "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." GASB 31 applies to Florida PRIME.

GASB 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value ("NAV"). GASB 31 describes a "2a-7 like" pool as an "external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the "1940 Act")." Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of $1.00 per share, provided that such funds meet certain conditions.

In December 2015, GASB issued Statement 79, "Certain External Investment Pools and Pool Participants," which delinks the accounting treatment of external investment pools from Rule 2a-7, and establishes criteria for the use of amortized cost to value portfolio assets of an external pool. GASB 79 also made clear that rounding unit value up or down to the nearest penny to maintain a stable NAV of $1.00 per share for issuances and redemptions of units is an operational decision for an external investment pool, rather than an accounting matter. GASB 79 also specifies, however, that seeking to maintain a stable price of $1.00 per share is one of the criteria that an external investment pool must meet as a condition to valuing all portfolio assets at amortized cost for financial reporting purposes.

Florida PRIME will seek to operate in a manner consistent with the criteria and requirements in GASB 79, including diversification, credit quality and maturity conditions. Accordingly, it is thereby permitted to value portfolio assets at amortized cost method.

V. Investment Objective

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poor's U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in this Policy.

VI. Investment Strategies & Specific Limitations

The Investment Manager will invest Florida PRIME's assets in short-term, high-quality fixed income securities. All Florida PRIME assets (100 percent) will be U.S. dollar-denominated. To be considered high-quality, a security must be rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations ("NRSROs"), or be deemed to be of comparable quality thereto by the Investment Manager, subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager also may enter into special transactions for Florida PRIME, like repurchase agreements. Each repurchase agreement counterparty must have an explicit issuer or counterparty credit rating in the highest short-term rating category from Standard & Poor's. Certain of the fixed -income securities in which Florida PRIME invests pay interest at a rate that is periodically adjusted ("Adjustable Rate Securities").

The Investment Manager will manage credit risk by purchasing only high quality securities. The Investment Manager will perform a credit analysis to develop a database of issuers and securities that meet the Investment Manager's standard for minimal credit risk. The Investment Manager monitors the credit risks of all Florida PRIME's portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments, and ratings of certain NRSROs. The Investment Manager will utilize a "new products" or similar committee to review and approve new security structures prior to an investment of Florida PRIME's assets in such securities. The Investment Manager will periodically consider and follow best practices in connection with minimal credit risk determinations (e.g., such as those described in Appendix I of the Investment Company Institute's 2009, *Report of the Money Market Working Group)*.

The Investment Manager will manage interest rate risk by purchasing only short-term fixed income securities. The Investment Manager will target a dollar-weighted average maturity range for Florida PRIME based on its interest rate outlook. The Investment Manager will formulate its interest rate outlook by analyzing a variety of factors, such as current and expected U.S. economic growth; current and expected interest rates and inflation; and the Federal Reserve Board's monetary policy. The Investment Manager will generally shorten Florida PRIME's dollar-weighted average maturity when it expects interest rates to rise and extend Florida PRIME's dollar-weighted average maturity when it expects interest rates to fall. In order to meet the investment grade ratings criteria of Standard & Poor's for a pool, the remaining maturity of securities purchased by the Investment Manager shall not exceed 762 days for government floating rate notes/variable rate notes and will not exceed 397 days for all other securities; provided, however, that if not required by the ratings criteria of the applicable NRSRO that is providing an investment grade rating to the pool and to the extent consistent with the portfolio criteria of GASB 79, longer term floating rate/variable rate notes that are U.S. government securities may be owned by Florida PRIME.

The Investment Manager will exercise reasonable care to maintain (i) a dollar weighted average maturity ("DWAM") of 60 days or less; and (ii) a maximum weighted average life (WAL) within the range of 90-120 days, depending on the levels of exposure and ratings of certain Adjustable Rate Securities. The maximum WAL will depend upon the percentage exposures to government and non-government Adjustable Rate Securities, with sovereign (government) Adjustable Rate Securities rated AA- and higher allowed a 120-day limit, and non-sovereign (corporate) Adjustable Rate Securities (and sovereign Adjustable Rate Securities rated below AA-) restricted to a 90-day limit. The portfolio's maximum WAL will be based on a weighted average of the percentage exposures to each type of floating-rate instrument.

For purposes of calculating DWAM, the maturity of an Adjustable Rate Security generally will be the period remaining until its next interest rate adjustment. For purposes of calculating WAL, the maturity of an Adjustable Rate Security will be its stated final maturity, without regard to interest rate adjustments; accordingly, the WAL limitation could serve to restrict Florida PRIME's ability to invest in Adjustable Rate Securities.

The Investment Manager will exercise reasonable care to limit exposure to not more than 25% of Florida PRIME's assets in a single industry sector, with the exception that the Investment Manager may invest more than 25% in the financial services industry sector, which includes banks, broker-dealers, and finance companies. This higher limit is in recognition of the large outstanding value of money fund instruments issued by financial services firms. Government securities are not considered to be an industry.

The Investment Manager will exercise reasonable care to not acquire a security, other than (i) a Daily Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 10% of its total assets in Daily Liquid Assets; (ii) a Weekly Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 30% of its total assets in Weekly Liquid Assets. Daily Liquid Assets include cash, direct obligations of the U.S. government and securities that convert to cash in one business day. Weekly Liquid Assets include cash, direct obligations of the U.S. government, certain government securities with remaining maturities of 60 business days or less and securities that convert to cash in five business days.

Florida PRIME shall seek to hold liquid assets sufficient to meet reasonably foreseeable redemptions, based upon knowledge of the expected cash needs of participants.

The Investment Manager will exercise reasonable care to not acquire securities that cannot be sold or disposed of in the ordinary course of business within five business days at approximately the value ascribed to them by Florida PRIME if, immediately after the acquisition, Florida PRIME would have invested more than 5% of its total assets in such securities.

In buying and selling portfolio securities for Florida PRIME, the Investment Manager will comply with (i) the diversification, maturity and credit quality criteria in GASB 79, (ii) the requirements imposed by any NRSRO that rates Florida PRIME to ensure that it maintains a AAAm rating (or the equivalent) and (iii) the investment limitations imposed by Section 215.47, Florida Statutes except to the extent, as permitted by Section 215.44(3), the trust instrument of Florida PRIME and this investment policy statement specifically authorize investments in addition to those authorized by Section 215.47.

The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in GASB 79. First, at least 50% of Florida PRIME assets will be invested in securities rated "A-1+" or those deemed to be of comparable credit quality thereto by the Investment Manager (i.e., so long as such deeming is consistent with the requirements of the NRSRO's AAAm (or equivalent) rating criteria), subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager will document each instance in which a security is deemed to be of comparable credit quality and its basis for such a determination. Second, exposure to any single non-governmental issuer (other than a money market mutual fund) will not exceed 5% and exposure to any single money market mutual fund will not exceed 10% of Florida PRIME assets.

VII. Portfolio Securities and Special Transactions

The Investment Manager will purchase only fixed income securities for Florida PRIME, and may engage in special transactions, for any purpose that is consistent with Florida PRIME's investment objective.

Fixed income securities are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a short-term fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Florida PRIME may invest include corporate debt securities, bank instruments, asset backed securities, U.S. Treasury securities, U.S. government agency securities, insurance contracts, municipal securities, foreign securities, mortgage backed securities, and shares of money market mutual funds. However, Florida PRIME is not permitted to buy such fixed income securities to the extent that they require Florida PRIME to be a qualified institutional buyer.

Special transactions are transactions into which Florida PRIME may enter, including, but not limited to, repurchase agreements and delayed delivery transactions.

For a more detailed description of Florida PRIME's portfolio securities and special transactions, please see "Additional Information Regarding Florida PRIME's Principal Securities" at Appendix A.

VIII. Risks Associated with Florida PRIME

An investment in Florida PRIME is subject to certain risks. Any investor in Florida PRIME should specifically consider, among other things, the following principal risks before making a decision to purchase shares of Florida PRIME.

Risk that Florida PRIME will not Maintain a Stable Net Asset Value

Although the Investment Manager attempts to manage Florida PRIME such that it maintains a stable NAV of $1.00 per share, there is no guarantee that it will be able to do so. Florida PRIME is not registered under the 1940 Act or regulated by the SEC.

Interest Rate Risks

The prices of the fixed income securities in which Florida PRIME will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

Credit Risks

Credit risk is the possibility that an issuer of a fixed income security held by Florida PRIME will default on the security by failing to pay interest or principal when due. If an issuer defaults, Florida PRIME will lose money.

Liquidity Risks

Trading opportunities are more limited for fixed income securities that are not widely held. These features make it more difficult to sell or buy securities at a favorable price or time. Consequently, Florida PRIME may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on Florida PRIME's performance.

Concentration Risks

A substantial part of Florida PRIME may be comprised of securities issued by companies in the financial services industry, companies with similar characteristics, or securities credit enhanced by banks or companies with similar characteristics. As a result, Florida PRIME may be more susceptible to any economic, business, or political risks or other developments that generally affect finance companies. Developments affecting companies in the financial services industry or companies with similar characteristics might include changes in interest rates, changes in the economic cycle affecting credit losses and regulatory changes.

Risks of Foreign Investing

Foreign securities pose additional risks because foreign economic or political conditions may be less favorable than those of the United States. Securities in foreign markets also may be subject to taxation policies that reduce returns for U.S. investors.

Call Risks

If a fixed income security is called, Florida PRIME may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Prepayment Risks

Unlike traditional fixed income securities, which pay a fixed rate of interest until maturity (when the entire principal amount is due), payments on asset-backed securities include both interest and a partial payment of principal. Partial payment of principal may be comprised of scheduled principal payments as well as unscheduled payments from voluntary prepayment, refinancing, or foreclosure of the underlying loans. If Florida PRIME receives unscheduled prepayments, it may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Risks Associated with Amortized Cost Method of Valuation

Florida PRIME will use the amortized cost method to determine the value of its portfolio securities. Under this method, portfolio securities are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. Accordingly, neither the amount of daily income nor the NAV is affected by any unrealized appreciation or depreciation of the portfolio. In periods of declining interest rates, the indicated daily yield on shares computed by dividing the annualized daily income on Florida PRIME's portfolio by the NAV, as computed above, may tend to be higher than a similar computation made by using a method of valuation based on market prices and estimates. In periods of rising interest rates, the opposite may be true.

Changing Distribution Level Risk

There is no guarantee that Florida PRIME will provide a certain level of income or that any such income will exceed the rate of inflation. Further, Florida PRIME's yield will vary. A low interest rate environment may prevent Florida PRIME from providing a positive yield or paying expenses out of current income.

Throughout this section, it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

For additional information regarding Florida PRIME's principal securities and associated risks, please see Appendix A.

IX. Controls and Escalation Procedures

Section 218.409(2), Florida Statutes requires this Policy to document a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls include formal escalation reporting guidelines for all employees to address material impacts on Florida PRIME that require reporting and action.

The SBA has engaged BNY Mellon ("Custodian") to provide asset safekeeping, custody, fund accounting and performance measurement services to Florida PRIME. The Custodian will mark to market the portfolio holdings of Florida PRIME on a daily basis and will daily communicate both amortized cost price and mark to market price, so that the SBA and the Investment Manager can monitor the deviations between the amortized cost price and market price. By contractual agreement, the Investment Manager will reconcile accounting and performance measurement reports with the Custodian on at least a monthly basis, under the supervision of the SBA.

The NRSRO that rates Florida PRIME will perform regular independent surveillance of Florida PRIME. The SBA and an independent investment consultant will regularly monitor the Investment Manager with respect to performance and organizational factors according to SBA manager monitoring policies.

The SBA and third parties used to materially implement Florida PRIME will maintain internal control, fraud and ethics policies and procedures designed to prevent the loss of public funds.

The Executive Director will develop policies and procedures to:

- Identify, monitor and control/mitigate key investment and operational risks.
- Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.
- Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.
- Approve risk allocations and limits, including total fund and asset class risk budgets.

The Executive Director will appoint a Chief Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board, to assist in the execution of the responsibilities enumerated in the preceding list. For day-to-day executive and administrative purposes, the Chief Risk and Compliance Officer will proactively work with the Executive Director and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief Risk and Compliance Officer will provide reports to the Investment Advisory Council, Audit Committee and Board, and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group to regularly review, document and formally escalate compliance exceptions and events that may have a material impact on Florida PRIME. The Investment Oversight Group will meet as necessary based on the occurrence and resolution of compliance exceptions or upon the occurrence of a material event. Minutes of any meeting held by the Investment Oversight Group~~'s meetings~~ and a listing of meeting participants shall be timely posted on the Florida PRIME website.

~~The Investment Oversight Group will meet and report monthly to the Executive Director, except upon the occurrence of a material event.~~ The SBA and the Investment Manager have an affirmative duty to immediately disclose any material impact on Florida PRIME to the participants, including, but not limited to:

1. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.25%, according to pricing information provided by the Custodian, the Investment Manager will establish a formal action plan. The Investment Oversight Group will review the formal action plan and prepare a recommendation for the Executive Director's consideration.

2. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.50%, according to pricing information provided by the Custodian, the Executive Director will promptly consider what action, if any, will be initiated. Where the Executive Director believes the extent of any deviation from Florida PRIME's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, he will cause Florida PRIME to take such action as he deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.

3. The Investment Manager will perform daily compliance monitoring to ensure that investment practices comply with the requirements of this Policy, according to documented compliance procedures. The Investment Manager will provide regular compliance reports and will communicate compliance exceptions within 24 hours of identification to the Investment Oversight Group. Additionally, the Investment Oversight Group will periodically conduct independent compliance reviews.

4. In the event that a security receives a credit rating downgrade and ceases to be in the highest rating category, or the Investment Manager determines that the security is no longer of comparable quality to the highest short-term rating category (in either case, a "Downgrade"), the Investment Manager will reassess whether the security continues to present minimal credit risk and will cause Florida PRIME to take any actions determined by the Investment Manager to be in the best interest of Florida PRIME; provided however, that the Investment Manager will not be required to make such reassessments if Florida PRIME disposes of the security (or the security matures) within five business days of the Downgrade.

5. In the event that a security no longer meets the criteria for purchase due to default, event of insolvency, a determination that the security no longer presents minimal credit risks, or other material event ("Affected Security"), the Investment Manager must dispose of the security as soon as practical, consistent with achieving an orderly disposition of the security, by sale, exercise of a demand feature or otherwise, and the requirements of GASB 79. An Affected Security may be held only if the Executive Director has determined, based upon a recommendation from the Investment Manager and the Investment Oversight Group, that it would not be in the best interest of Florida PRIME to dispose of the security taking into account market conditions that may affect an orderly disposition.

6. The Investment Manager will monthly stress test Florida PRIME and at least quarterly report the results of the stress tests to the Investment Oversight Group. Stress tests must be conducted

for at least the following events, or combinations of events (i) a change in short-term interest rates; (ii) an increase in net shareholder redemptions; (iii) downgrades or defaults; and (iv) changes between a benchmark overnight interest rate and the interest rates on securities held by Florida PRIME.

The Investment Manager will at least annually provide the Investment Oversight Group with: (i) their documented compliance procedures; (ii) an assessment of Florida PRIME's ability to withstand events reasonably likely to occur in the coming year and (iii) their list of NRSROs utilized as a component of the credit risk monitoring process.

The Executive Director's delegated authority as described in this section is intended to provide him with sufficient authority and operating flexibility to make professional investment decisions in response to changing market and economic conditions. Nonetheless, the Trustees will at least monthly review and approve management summaries of material impacts on Florida PRIME, any actions or escalations taken thereon, and carry out such duties and make such determinations as are otherwise necessary under applicable law, regulation or rule.

Pursuant to Florida law, the Auditor General will conduct an annual financial audit of Florida PRIME, which will include testing for compliance with this Policy.

X. Deposits and Withdrawals

Investors should refer to the separate Florida PRIME Operating Procedures for detailed descriptions regarding how to make deposits in and withdrawals from Florida PRIME, including (1) any fees and limitations that may be imposed with respect thereto; and (2) reports provided to participants.

XI. Management Reporting

The Executive Director will be responsible for providing the formal periodic reports to the Trustees, legislative committees and other entities:

1. An annual report on the SBA and its investment portfolios, including that of Florida PRIME.
2. A monthly report on performance and investment actions taken.
3. Special reports pursuant to Chapter 218, Florida Statutes.

Appendix A
Additional Information Regarding Florida PRIME's Principal Securities

Throughout this appendix it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

FIXED INCOME SECURITIES

Corporate Debt Securities

Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Florida PRIME also may purchase interests in bank loans to companies.

COMMERCIAL PAPER

Commercial paper is an issuer's obligation with a maturity of generally less than 270 days. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

DEMAND INSTRUMENTS

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Florida PRIME treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

Bank Instruments

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Florida PRIME will not invest in instruments of domestic and foreign banks and savings and loans unless they have capital, surplus, and undivided profits of over $100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund or the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation. These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Euro-dollar Time Deposits.

Florida PRIME shall further limit its investments in bank instruments consistent with the requirements of GASB 79.

Asset Backed Securities

Asset backed securities are payable from pools of obligations, most of which involve consumer or commercial debts. However, almost any type of fixed income assets (including other fixed income securities) may be used to create an asset backed security. Asset backed securities may take the form of commercial paper, notes or pass-through certificates.

Government Securities

Government security means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

U.S. Treasury Securities

U.S. Treasury securities are direct obligations of the federal government of the United States. U.S. Treasury securities are generally regarded as having the lowest credit risks.

Agency Securities

Agency securities are issued or guaranteed by a federal agency or other government sponsored entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Farm Credit System Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support, but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Investors regard agency securities as having low credit risks, but not as low as Treasury securities. Florida PRIME treats mortgage-backed securities guaranteed by a GSE as if issued or guaranteed by a federal agency. Although such a guarantee protects against credit risks, it does not reduce market risks.

Insurance Contracts

Insurance contracts include guaranteed investment contracts, funding agreements and annuities. Florida PRIME treats these contracts as fixed income securities.

Municipal Securities

Municipal securities are issued by states, counties, cities and other political subdivisions and authorities.

Foreign Securities

Foreign securities are U.S. dollar-denominated securities of issuers based outside the United States. Florida PRIME considers an issuer to be based outside the United States if:

- it is organized under the laws of, or has a principal office located in, another country;
- the principal trading market for its securities is in another country; or

- it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country.

Mortgage Backed Securities

Mortgage backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable rate mortgages are known as ARMs.

Zero Coupon Securities

Certain of the fixed income securities in which Florida PRIME invests are zero coupon securities. Zero coupon securities do not pay interest or principal until final maturity, unlike debt securities that provide periodic payments of interest (referred to as a "coupon payment"). Investors buy zero coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero coupon security.

Callable Securities

Certain of the fixed income securities in which Florida PRIME invests are callable at the option of the issuer. Callable securities are subject to reinvestment risks.

144A Securities

The SBA has determined that Florida PRIME constitutes (i) an "accredited investor" as defined in Rule 501(a)(7) promulgated under the Securities Act of 1933, as amended (the "Securities Act"), as long as Florida PRIME has total assets in excess of $5,000,000 and (ii) a "qualified purchaser" as defined in Section 2(a)(51)(A)(iv) of the 1940 Act, as long as Florida PRIME in the aggregate owns and invests on a discretionary basis not less than $25,000,000 in investments, but does not constitute a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act. Florida PRIME is restricted from purchasing or acquiring securities or investments that would require Florida PRIME to represent in connection with such purchase or acquisition that it is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act.

Money Market Mutual Funds

Florida PRIME may invest in shares of registered investment companies that are money market mutual funds, including those that are affiliated with the Investment Manager, as an efficient means of implementing its investment strategies and/or managing its uninvested cash. These other money market mutual funds are managed independently of Florida PRIME and incur additional fees and/or expenses that would, therefore, be borne indirectly by Florida PRIME in connection with such investment. However, the Investment Manager believes that the benefits and efficiencies of this approach should outweigh the potential additional fees and/or expenses. The Investment Manager must obtain prior written consent of the SBA to invest Florida PRIME in money market mutual funds that are "affiliated persons" of the Investment Manager.

SPECIAL TRANSACTIONS

The Investment Manager on behalf of Florida PRIME may engage in the following special transactions.

Repurchase Agreements

A repurchase agreement is a transaction in which Florida PRIME buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting Florida PRIME's return on the transaction. This return is unrelated to the interest rate on the underlying security. Florida PRIME will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Investment Manager. The securities that are subject to the repurchase transactions are limited to securities in which Florida PRIME would be permitted to invest, except that such securities may have a maturity longer than would otherwise be permitted for Florida PRIME to own.

Florida PRIME's custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Investment Manager or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks.

Delayed Delivery Transactions

Delayed delivery transactions, including when-issued transactions, are arrangements in which Florida PRIME buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by Florida PRIME to the issuer and no interest accrues to Florida PRIME. Florida PRIME records the transaction when it agrees to buy the securities and reflects their value in determining the price of its units. Settlement dates may not be more than seven business days after entering into these transactions; nonetheless, the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for Florida PRIME. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

Asset Coverage

In order to secure its obligations in connection with special transactions, Florida PRIME will either own the underlying assets, enter into an offsetting transaction or set aside readily marketable securities with a value that equals or exceeds Florida PRIME's obligations. Unless Florida PRIME has other readily marketable assets to set aside, it cannot trade assets used to secure such obligations without terminating a special transaction. This may cause Florida PRIME to miss favorable trading opportunities or to realize losses on special transactions.

Aon Hewitt

Florida PRIME™ Best Practices Review

Florida State Board of Administration (SBA)

June 2019

Risk. Reinsurance. Human Resources.

Empower Results®

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Executive Summary

Aon Hewitt Investment Consulting (Aon) conducts a Best Practices Review of Florida PRIME on an annual basis. In this report, we review the 2019 Participant Survey responses, review updates from the Governance, Risk Management, and Compliance Assessment, cover the annual Investment Policy Statement Review, provide an overview of the upcoming Florida PRIME Strategic Plan and provide a brief update on the discontinuation of the Participant Local Government Advisory Council.

Based on our review, we continue to believe that Florida PRIME is being managed in a manner consistent with best practices and in consideration of participants' best interests and do not have any recommendations at this time.

2019 Participant Survey Results

On a regular basis, the SBA conducts a survey of Florida PRIME participants to gain a better understanding of the participant base, current usage of available services, and overall satisfaction. The survey also seeks to gauge interest in various enhancements and to ensure awareness of participant needs and preferences. The 2019 survey attracted 83 respondents which is in line with the previous rate of response.

A diversified group of governmental units responded to the survey, primarily representing counties, municipalities, school boards and special districts, with over half (61%) representing investment decision-makers and the remaining functioning in an account operations role. Of the respondents, 46% have one account with Florida PRIME and 36% have either 2 or 3 accounts. Half of respondents have over $10 million of cash assets available for short-term investment, with another 21% having between $1 million and $10 million of cash assets available. The survey indicated that approximately 60% of respondents indicated having a balance of over $10 million with Florida PRIME, and 23% indicated having between $1 million and $10 million with the pool. The survey revealed that 19% of respondents maintained greater than 75% of their cash surplus in Florida PRIME over the past year, which is slightly down from the previous survey. However, 23% indicated they have maintained less than 25% with Florida PRIME, which is an improvement of approximately 10 percentage points from the previous survey response (34%).

The survey includes questions that relate to how and why participants utilize other competing and complementary liquidity vehicles. Of the respondents, 38 indicated that their organization has a policy that dictates a maximum allowable allocation to Florida PRIME and 25, or 71% of those with policies, are restricted to allocating 50% or less to any single governmental investment pool or money market fund. Relatedly, when asked what prevents an organization from using Florida PRIME as the primary source of cash management, 49% of the 72 respondents to this question indicated that investment policy restrictions were a reason for not using Florida PRIME as a primary source of cash management. The next greatest response was 52% of respondents indicating that diversification needs of the cash portfolio was a major or moderate reason. Consistent with the previous survey, current yield level and costs were highly selected as not reasons at all for not using Florida PRIME as a primary source of cash management, at 67% and 74% response rates, respectively.

When asked about other investment vehicles used in the past 12 months for cash management, respondents indicated the most commonly used vehicles aside from Florida PRIME are Certificates of Deposits at 33% of respondents, followed by peer funds, and specifically the Florida Education Investment Trust Fund and the Florida Local Government Investment Trust at 27% and 25%, respectively. Diverging from the previous survey, SEC registered money market funds were indicated as used by only 5% of respondents in the past 12 months. This is in large contrast to the 37% of respondents in the 2017 survey who indicated using a SEC registered money market fund and is likely due to the SEC's Rule 2a-7 Reforms that went into effect. The survey also asked respondents to rank how competing investment services have added value to the respondent organizations' investment goals from the following list: yield, cost, risk, client service, available funds, and ease of use. Respondents indicated that yield was the most appealing feature, followed by risk, defined as perceived risk levels adjusted for the level of return. Client service and ease of use were ranked the lowest in terms of value add from competing investment services.

The survey questions surrounding current services related to Florida PRIME continue to receive strong feedback. Related to the Florida PRIME website, 82% of respondents indicated that they visit the site at least once a month and 99% responded that they find the website functionality as very easy to use. The survey also indicated that the clear majority (100%) of participants continue to utilize the website primarily to access account balances and statements, and approximately 74% and 45% of respondents utilize the website to make transactions and to access the Monthly Summary Reports, respectively. When asked about the usefulness of multiple communication pieces, the responses also continue to be favorable. The survey indicated that over 70% of respondents rated the following communications as very useful: monthly account statements (94%), e-mail notifications of withdrawals (82%) and changes to bank instructions (79%). Further, over 75% of respondents found the following to be at least somewhat useful: Periodic eNotices (91%), Monthly Summary Reports (95%), and Weekly Market Commentary (78%). Lastly, respondents indicated great satisfaction with the Florida PRIME representatives, with over 90% indicating the representatives were very courteous, very knowledgeable and very responsive.

Overall, the survey results continue to be positive from both operational and service-related perspectives. Responses related to the use of competing investment vehicles continue to be mixed, with indications of yield and risk being top of mind, but notably, that a large percentage of respondents' organizations have investment policies limiting available funds to invest in a single entity and/or seek diversification from a single cash management source. Generally, the survey indicates a strong level of satisfaction with the management of the Florida PRIME portfolio. Over 80% of respondents indicated that they are very likely or extremely likely to recommend Florida PRIME to a colleague or other governmental investor. We continue to believe the survey is a great mechanism to obtain feedback from Florida PRIME participants, as well as to express the SBA's awareness and receptiveness to the participant's needs and wants.

Compliance Review Follow-up

In 2018, the SBA completed its triennial Governance, Risk Management and Compliance Assessment conducted by a third party consultant. This Assessment covered all major mandates managed by the SBA, including Florida PRIME. The Assessment identified the SBA as a high performing organization with strong governance and compliance practices and did not find any material issues. The assessment also provided some suggestions for the SBA to consider surrounding its compliance structure and practices. One of the topics that was discussed was the role and mechanics of the SBA's Investment Oversight Groups (IOGs).

The SBA's IOGs play an important risk management role across all the major mandates the SBA oversees. At a high level, the IOGs are categorized by asset class and are responsible for reviewing and ensuring compliance with the appropriate policies and procedures. Florida PRIME had been covered by the fixed income IOG until recently when it split off and is now covered by a Florida PRIME-specific IOG. The Florida PRIME IOG currently meets monthly to review the regular risk and compliance reporting that is required for the portfolio. The main purpose of the monthly meetings is to review any compliance exceptions or elevated risk concerns that may have occurred over the previous period. However, given the exceptionally strong governance practices surrounding investment and risk management of Florida PRIME, there have been an immaterial number of exceptions or issues to address during these meetings over the past several years. One of the resulting suggestions from the Governance, Risk Management and Compliance Assessment was to consider conducting the physical IOG meetings for Florida PRIME on an exception-basis, rather than required monthly. The SBA's fixed income IOG has successfully transitioned to a meeting-by-exception basis and has not experienced any disruption or impact on its compliance or risk management practices.

Importantly, this suggested change would also not impact the level of compliance oversight or reporting on Florida PRIME. The monthly compliance and risk reports will continue to be performed and disseminated to the appropriate parties at the same intervals. The only difference is that a physical meeting would only be called if an exception was reported or an issue arose. Additionally, the Florida PRIME IOG would still meet quarterly to review the regular stress testing.

In Aon's 2017 Best Practices Review, we conducted a comprehensive review of the compliance procedures and policies that govern the management of Florida PRIME. The review included an evaluation of the compliance practices followed by Federated, S&P, and the SBA. In addition to finding that the SBA has developed a very comprehensive compliance program that is in line with best practices, we suggested there were a few areas where efficiencies could be gained across the governance system. Aon believes that moving the IOG monthly meetings to exception-based meetings is in line with the goal of enhancing efficiencies across the governance system and encourages a more effective use of the SBA's time and resources without impacting the actual level of compliance or risk management of Florida PRIME.

Importantly, we reiterate that the compliance policies that govern the Florida PRIME investment pool and corresponding compliance procedures represent a robust, multilayered approach to ensuring the portfolio remains in compliance with the criteria contained in the Investment Policy Statement and we do not foresee this change impacting that assessment.

Investment Policy Review

As part of Aon's Best Practices review of Florida PRIME we conduct a review of the Florida PRIME Investment Policy Statement (IPS). The objective of the IPS is to set forth the objectives, strategy, guidelines, and overall responsibilities for the oversight and prudent investment of Florida PRIME assets. The purpose of the periodic review is to ensure the document reflects the evolving investment portfolio, current legal and regulatory developments, and best practices. A well-written and unambiguous document is critical to the success of any investment program

Over the past several years there have been modest updates to the IPS that have kept it up-to-date with the current regulatory, legal, and investment environments. The most significant updates occurred in 2016 when the GASB 79 guidelines were released. The SBA is prudent with staying current with overall best practices in managing the Florida PRIME assets and thus the updates to the IPS had been seamless.

Overall, Aon continues to find the IPS to be comprehensive and appropriate for the management and oversight of Florida PRIME. The topics covered continue to be relevant and critical to the success of the management of Florida PRIME assets. The investment objective of the pool and the roles and responsibilities are clearly defined. The IPS provides the necessary specifics and supplemental guidelines for a clear understanding of the investment strategy, making direct and clear reference to the appropriate GASB guidelines for appropriate fiduciaries to follow and understand. We believe the IPS thoroughly defines the risks that are associated with investing in Florida PRIME and find the detailed control procedures provide the comfort of prudent safe-keeping and oversight of assets.

The 2019 review identified one reference update and one update related to the updated mechanics of the Investment Oversight Group. We highlight both below:

1. Section III. Roles and Responsibilities: Remove reference to the Participant Local Government Advisory Council (PLGAC). The PLGAC was repealed in 2018 and therefore no longer relevant going forward.
2. Section IX. Controls and Escalation Procedures: Update language surrounding the Investment Oversight Group's (IOG) function from a mandated monthly meeting to the adopted meeting-by-exception basis. As discussed earlier in this report, there will be no changes to the reporting, risk management or compliance oversight of the pool because of this change.

While it is not expected that the IPS will change frequently, it is a living, breathing document that should be reviewed periodically to ensure it remains appropriate and relevant. Overall, we continue to believe the Florida PRIME IPS is robust and in line with the goals and objectives of the investment pool, and continue to find the Policy to be an effective guiding document for the management of Florida PRIME.

Review of the Florida PRIME Business Case

The Florida PRIME Strategic Plan includes three main goals and objectives for the five-year period beginning in 2019. One of these objectives is to "*evaluate the business case for insourcing and/or outsourcing of pool operations, investment management, user interface (web), need for additional funds, and other general administrative issues.*

- *Conduct a review of pool operations, evaluating scope and change for potential changes to investment operations*
- *Undergo review and evaluation of the business case for internal/external management."*

Currently, Florida PRIME utilizes Federated Investment Counseling ("Federated") as the investment manager to invest the Florida PRIME assets in accordance with the Investment Policy Statement. Federated also conducts investment related risk management procedures and reporting to ensure compliance and the safety of pool assets.

The Florida SBA provides the other services for managing the Florida PRIME program. These responsibilities and services are broadly defined below:

- *Administration*: recordkeeping, trade execution, position monitoring and reporting
- *Client Service*: call center, website/user interface, participant communication and experience
- *Risk Management and Compliance*: policies and guidelines, monitoring, reporting, escalation procedures, participant communication, business continuity

The Florida SBA will be conducting a comprehensive evaluation of changing or maintaining the current management structure of Florida PRIME to evaluate the business case for insourcing or outsourcing each of these functions. This review is intended to include a full assessment of the merits and drawbacks across 100% outsourcing to 100% insourcing, and the potential hybrid approaches in between.

The following discussion is intended to highlight the main services required to manage and run Florida PRIME and the main factors we believe should be evaluated that will help inform the ultimate conclusions on the best management approach.

Service	Evaluation Factors*
Investment Management	• Portfolio management • Competitive returns and risk management • Investment, operational and risk-related reporting • Capital market, regulatory and legal awareness and responsiveness • Performance/management evaluation • New fund offerings
Administration	• Custody, banking services and accounting • Trade execution • Recordkeeping and reporting • Technology
Risk Management and Compliance	• Maintaining and updating investment and operational policies and procedures • Monitoring and reporting requirements, including Fund rating • Trade execution • Information security and business continuity • Regulatory and legal awareness and responsiveness
Client Service	• Participant communication/reporting and client experience • Website/User-interface updates, maintenance and offerings • Call center and other participant services
Marketing / Education	• Marketing capabilities and effectiveness • New fund offerings • Training and education sessions

*Not intended to be a complete list of factors to be considered. Intended to highlight the main factors.

Surrounding each factor are a range of considerations that will help inform the most appropriate course for the Florida SBA as it relates to managing Florida PRIME. In the table below, we have identified the common considerations we believe are important to evaluate across the range of service options and evaluation factors listed above. As an example, what is the anticipated cost impact on the SBA and on the participants for outsourcing the administrative and client service functions? Are there any cost savings to outsourcing everything, rather than on a piecemeal basis?

Considerations	
Cost	• Impact on SBA, revenues earned and cost of providing services • Impact on participant-paid fees
Efficiency	• Improved or weakened efficiencies across services • Technological enhancements
Control	• Ability to proactively affect change and level of responsiveness
Responsibilities	• Ability to provide quality services, including staffing, and the trade-offs in time, expenses and opportunity cost
Accountability	• Ability to provide and maintain best in class service, including personnel, systems/technology, client service, etc.
Customization	• Ability and ease of tailoring services to specific needs and desires
Disruption	• Impact of change on participants and current Fund operations

A similar business case analysis was considered back in 2010 and at that time it was determined that the current servicing model was appropriate and satisfactory to participants. Additionally, it was determined that the alternative approach was comparable to the current offerings and thus did not justify the added cost and disruption to participants to make a change.

We anticipate the forthcoming review to be comprehensive and insightful and will provide the necessary support for the continued management of Florida PRIME in whatever capacity is determined as best. As the above considerations are contemplated, it is important that they are not evaluated in silos. There are trade-offs that must be factored in, such as, are potentially higher fees bringing additional and beneficial services to participants that they otherwise would not have access to? Ultimately, the key consideration across each of these factors and trade-offs should be whether the decision will make the pool more or less valuable to current and future participants.

Participant Local Government Advisory Council

The Participant Local Government Advisory Council (PLGAC) was formed in 2009 to provide additional oversight to the Florida SBA on Florida PRIME and was statutorily repealed on March 30, 2018. The PLGAC consisted of members from local governments appointed by the Board of Trustees and advised the SBA on matters related to Florida PRIME including participant communication, investment policy statement, investment approach, compliance policies and procedures, and other matters that need their attention. In 2018, the recommendation by the existing members of the PLGAC was to repeal the Council and instead rely on the oversight and advice provided by the Investment Advisory Council (IAC). The IAC continues to review Florida PRIME performance and risk on a quarterly basis and the Best Practices Review on an annual basis, as they did historically. Aon agreed with this approach and noted that since beginning our Best Practices Reviews, the Florida PRIME has implemented many changes and enhancements to ensure that participants are receiving the best a local government investment pool can offer in terms of investment strategy, investment risk, oversight and compliance, education, communication, and technology. We had made very few recommendations in the past couple years as a result of our reviews, which is an indication that Florida PRIME has reached a target state wherein it is functioning at the very highest level, performing well, and delivering to participants what they need. For all these reasons, Aon was supportive of the repeal of the PLGAC and the suggested continued reliance on the IAC for continued oversight and council to the SBA on Florida PRIME.

As a follow-up to the one-year anniversary of the repeal of the PLGAC, we are reporting that the management and oversight of Florida PRIME has continued seamlessly and has not experienced any disruptions as a result of the PLGAC repeal. The IAC, SBA, Aon and Federated have all continued in their specific risk management and oversight roles and Florida PRIME has continued to function as a best in class local government pool for its participants.

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Reply to: Tallahassee

May 28, 2019

LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND
STATUTORY COMPLIANCE REVIEW

The Local Government Surplus Funds Trust Fund (Trust Fund or Fund) administered by the State Board of Administration (Board) was created in 1977, is governed by Part IV of Chapter 218, Florida Statutes, titled Investment of Local Government Surplus Funds, and is now known as Florida PRIME™.

THE STATUTE

Pursuant to section 218.405(3), the trustees (meaning the trustees of the State Board of Administration, section 218.403(10), constituted per section 215.44(1)) must make a two part annual certification:

> **The trustees shall annually certify to the Joint Legislative Auditing Committee <u>that the trust fund is in compliance with the requirements of this part</u> and that the trustees have conducted a review of the trust fund and determined that the management of the trust fund is in accord with best investment practices.** (Emphasis added.)

This is the tenth annual statutory review of the Fund under section 218.405(3). There were no substantive amendments to Part IV, Chapter 218, Florida Statutes, during the 2019 Legislative session.

SCOPE OF REVIEW

This review addresses the first part of the annual certification and examines whether the Trust Fund, defined at section 218.403(9) as "the pooled investment fund created by Section 218.405 and known as the Local Government Surplus Funds Trust Fund," is "in compliance with the requirements of this part." "This part" refers to Part IV of Chapter 218, Florida Statutes, which includes sections 218.40 – 218.415, Florida Statutes.

The scope of this review is compliance with sections 218.40 – 218.412, Florida Statutes, during the time period May 16, 2018 through May 16, 2019. The remainder of Part IV, Chapter 218, covers local government investment policies, which are not within the scope of this review.

The second part of the certification required by section 218.405(3) - the determination that the Fund is in accord with best investment practices - is being performed separately by Aon Hewitt Investment Consulting, Inc.

PURPOSE

As set out at section 218.401, Florida Statutes, the intent of Part IV of Chapter 218 is:

> **[T]o promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of government, based on the principles of investor protection, mandated transparency, and proper governance, with the goal of reducing the need for imposing additional taxes.**

The definition of surplus funds, found at section 218.403(8) includes:

> **[A]ny funds in any general or special account or fund of a unit of local government, or funds held by an independent trustee on behalf of a unit of local government, which in reasonable contemplation will not be immediately needed for the purposes intended.**

By its terms, the Fund is limited to units of local government, defined at section 218.403(11) as:

> **… any governmental entity within the state not part of state government and shall include, but not be limited to, the following and the officers thereof: any county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, authority, board, public corporations, or any other political subdivision of the state.**

This broad definition covers not just "any governmental entity…not a part of state government," but includes also authorities, boards and public corporations, and is specifically not limited to the enumerated bodies.

Fund participants are charged by statute with determining whether it is in their interest to participate in the Fund. §218.407(2). The enrollment materials require the participant to certify that it has determined it is authorized to invest in the Fund. They also state that the SBA is not responsible for independently verifying that the participant is so authorized.

CREATION, OBJECTIVES

The Trust Fund is created at section 218.405, Florida Statutes,

> **(1) There is hereby created a Local Government Surplus Funds Trust Fund to be administered by the board and to be composed of local government surplus funds deposited therein by units of local government under the procedures established in this part. The board may contract with a professional money management firm to manage the trust fund.**

The Board has contracted with a professional money management firm, Federated Investment Counseling, Inc. (Federated), to manage the Trust Fund.

> **(2) The primary objectives, in priority order, of investment activities shall be safety, liquidity, and competitive returns with minimization of risks.**
>
> **(3) (Certification requirement, cited above)**
>
> **(4) The board may adopt rules to administer the provisions of this section.**

RULES

Both sections 218.405(4) and 218.412 make rulemaking to administer the Trust Fund permissive rather than mandatory. The Board has adopted rules for the Fund at Chapter 19-7, Florida Administrative Code. The majority of these rules were enacted in 1982, with substantial revisions in 2002 and 2010. Revised Rule 19-7.002 was amended to adopt the current Investment Policy Statement for the Fund on February 19, 2019, as approved by the Trustees effective June 13, 2018.

INTERACTION WITH LOCAL GOVERNMENT AUTHORITIES

Section 218.407 sets out the requirements that must be met before a unit of local government may deposit surplus funds in the Trust Fund:

> **(1) Prior to any determination by the governing body that it is in the interest of the unit of local government to deposit surplus funds in the trust fund, the board or a professional money management firm must provide to the governing body enrollment materials, including a trust fund profile containing impartial educational information describing the administration and investment policy of the trust fund, including, but not limited to:**
>
> **(a) All rights and conditions of participation, including potential restrictions on withdrawals.**

(b) The historical performance, investment holdings, credit quality, and average maturity of the trust fund investments.

(c) The applicable administrative rules.

(d) The rate determination processes for any deposit or withdrawal.

(e) Any fees, charges, penalties, and deductions that apply to the account.

(f) The most recently published financial statements or independent audits, if available, prepared under generally accepted accounting principles.

(g) A disclosure statement for signature by the appropriate local government official.

The Board, with Federated, has created enrollment materials which include a Trust Fund profile and education information which appear to be impartial and to accurately describe the administration and investment policies of the Trust Fund and which meet the specific requirements of the above section.

All materials are provided to participants and potential participants at the Board's web site: www.sbafla.com at the Florida PRIME link, or directly at www.sbafla.com/prime. The New Participant Enrollment Guide, the current Investment Policy Statement, the Earnings Allocation description and the applicable rules are included under the "Enrollment Materials" tab, as are two form documents that must be executed by a new participant: the Disclosure Statement and the Authorizing Resolution. These materials track the statutory information required by section 218.407(1) cited above, and were updated on April 7, 2018 to reflect the most recent statutory changes.

(2) Upon review of the enrollment materials and upon determination by the governing body that it is in the interest of the unit of local government to deposit surplus funds in the trust fund, a resolution by the governing body and the signed acceptance of the disclosure statement by the local government official, who may be the chief financial or administrative officer of the local government, shall be filed with the board and, if appropriate, a copy shall be provided to a professional money management firm authorizing investment of its surplus funds in the trust fund established by this part. The resolution shall name:

(a) The local government official, who may be the chief financial or administrative officer of the local government, or

(b) An independent trustee holding funds on behalf of the unit of local government, responsible for deposit and withdrawal of such funds.

The Fund was created in 1977, and so has many long-standing participants. When the governing statutes were substantially amended effective in 2008, new requirements and safeguards were added, including specific items set out in 218.407(1) and (2) above, that had to be given to or obtained from participants. Most of these requirements are intended to assure that the participant is fully informed about the nature, purpose, stability and processes of the Fund. Some long-standing participants do not have a Disclosure Statement on file with the Fund, as this was not required when they enrolled.

Staff analyzed all accounts in the Trust Fund as of May 8, 2019, to determine whether a Disclosure Statement is on file. There are still a number of participants who do not have Disclosure Statements on file, although the number continues to decline. This issue has been addressed more fully previously (see 2010 review), and that analysis still pertains: all participants have putative and actual knowledge of the workings of the Fund, through the Monthly Summary Reports and materials posted to the website. All participants who have enrolled since the law change in 2008 have Disclosure Statements on file. Since last year's report, staff reports the following:

- As of the above date of analysis, there are 91 (out of 732) participants for whom a signed disclosure statement is not on file. For purposes of comparison, the number of participants for whom a signed disclosure statement was not on file in 2018 was 115; and the number in 2017 was 144.
- The percentage of all dollars invested in Florida PRIME which is in accounts of a participant with no Disclosure Statement on file now stands at 1.7%. This percentage has also been decreasing annually. The percentage in 2018 was 2.0%; and the percentage in 2017 was 2.9%.
- Of the 91 participants with no Disclosure Statement on file, 8 (8.79%) have a balance of less than $2.

Staff continues to request a signed Disclosure Statement from any participant who does not have one on file each time a Participant Account Maintenance Form is submitted to update their account information.

(3) The board or a professional money management firm shall, upon the filing of the resolution, invest the moneys in the trust fund in the same manner and subject to the same restrictions as are set forth in s.215.47. All units of local government that qualify to be participants in the trust fund shall have surplus funds deposited into a pooled investment account.

Section 215.47, cited above, details the types of investments permitted for all Board funds, including Florida PRIME. Pursuant to section 218.409(2)(a), the Fund also must be invested in accordance with the current written investment policy, which must be updated annually. Part two of the certification required by section 218.405(3), being conducted by Aon Hewitt Investment Consulting, Inc., determines whether the Fund's management is in accord with best investment practices and whether the specific holdings of the Fund are in accord with all statutory requirements including section 215.47 (cross-referenced in 218.405(3)) as implemented in the current PRIME Investment Policy Statement, adopted in rule 19-7.002.

ADMINISTRATION OF THE TRUST FUND, ADVISORY COUNCIL

218.409 Administration of the trust fund; creation of advisory council.—

(1) Upon receipt of the items specified in s. 218.407 from the local governing body, the board or a professional money management firm shall accept all wire transfers of funds into the trust fund. The board or a professional money management firm shall also wire-transfer invested local government funds to the local government upon request of the local government official named in the resolution.

A clearing account maintained by Bank of America, which is a qualified public depository, accepts money transmitted to the Board and transfers to BNY Mellon, as the custodian, as discussed further below.

(2)(a) The trustees shall ensure that the board or a professional money management firm administers the trust fund on behalf of the participants. The board or a professional money management firm shall have the power to invest such funds in accordance with a written investment policy. The investment policy shall be updated annually to conform to best investment practices. The standard of prudence to be used by investment officials shall be the fiduciary standards as set forth in s. 215.47(10), which shall be applied in the context of managing an overall portfolio. Portfolio managers acting in accordance with written procedures and an investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this part.

The Board administers the Trust Fund on behalf of the participants and handles accounting, statements, monthly reporting and compiling and maintaining enrollment materials, and has contracted with professional money management firm Federated to act as the Investment Manager and to invest the Trust Fund funds in accordance with the Investment Policy Statement. Federated also interacts with participants to answer inquiries and facilitates Standard and Poor's ratings. BNY Mellon acts as custodian of all assets of the Fund, processes all trades made by Federated, and does valuation and pricing for the Fund. The Investment Policy Statement has been updated and approved by the Trustees effective June 13, 2018. It is posted at the Fund website tab "Risk Management and Oversight," and at the "Enrollment Materials" tab as a separate item and as part of the New Participant Enrollment Guide.

(2)(b) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business on behalf of the trust fund. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the board.

All Board employees are required to complete training sessions to assure that Board officers and employees involved in the investment process are not engaged in personal business activity that could conflict with the Trust Fund program or impair their ability to make impartial decisions. The SBA Inspector General monitors completion of all mandatory policy courses and confirms that all courses required in the applicable fiscal year rotation have been completed.

A course cycle, which was updated in October 2018, sets out when the mandatory courses must be completed. For 2019, the following mandatory course cycle applies: Cybersecurity Awareness, Ethics, Harassment Prevention, Incident Management Framework, Insider Trading, and Personal Investment Activity are required every year; Public Records and Sunshine Law are required every two years; and Fiduciary Duties is required every four years. All training is done on line and all new employees are required to take all nine mandatory courses at the time they start working for the SBA. Human Relations notifies the Inspector General of any training non-compliance and he then follows up to assure that training is complete.

Employees and investment officials are required to disclose material interests in financial institutions with which they also conduct Trust Fund business, and any personal financial or investment positions that could be related to performance of the Trust Fund portfolio. Policy 10-041 on Personal Investment Activity, as updated February 14, 2019, guides the Board on these issues. The Inspector General assures that any trading or investment activity by individual employees is in compliance with applicable policies.

The Board has developed a process and document to be used by professional money manager Federated to certify that it is in compliance with statutory ethics requirements. Federated's Chief Investment Officer executed a compliance certification on April 24, 2019, and its Chief Compliance Officer submitted an annual Compliance Certification for the period January 1, 2018 through December 31, 2018, on August 29, 2018. An executed Compliance Certification by Federated for the period January 1, 2019 through December 31, 2019 is due on May 31, 2019.

(2)(c) The board or a professional money management firm and all employees have an affirmative duty to immediately disclose any material impact to the trust fund to the participants. To ensure such disclosure, a

> **system of internal controls shall be established by the board, which shall be documented in writing as part of the investment policy. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls shall also include formal escalation reporting guidelines for all employees. The guidelines shall establish procedures to address material impacts on the trust fund that require reporting and action.**

Policy 10-040, Ethics, as revised February 14, 2019, sets out comprehensive ethical requirements for all employees of the SBA, including PRIME, which are more stringent that the statutory requirements under Chapter 112, Part III, Florida Statutes. SBA management and staff have an affirmative duty to immediately escalate and report directly to the Executive Director & CIO, the Inspector General, or the General Counsel any "employee or contractual party fraud or misconduct (whether actual or suspected), employee or contractual party material error that adversely affects SBA or client assets or interests, misrepresentation or omission of material information in internal and external reporting and client communications, and violations of laws, rules or SBA policies." The Inspector General then is required to investigate.

The Board internet and intranet home pages include an employee toll-free fraud hotline number which allows all employees to anonymously report any concerns with regard to any aspect of Board functions, including the Trust Fund. This number also is provided in all contracts with external service providers, in order to reach any potential problems in these relationships. The hotline is operated by an independent company and is available 24 hours a day, 7 days a week. The Inspector General receives any reports from the hotline and copies these to the Chief Risk and Compliance Officer. There were no fraud reports to the hotline number during the review period.

The Investment Policy Statement at Section IX, Controls and Escalation Procedures, imposes extensive reporting, monitoring and escalation requirements on the executive director, all employees, the Fund custodian, the Investment Manager, an independent investment consultant and any third party used to materially implement the Fund.

The IPS requires the Executive Director to develop policies and procedures to maintain an appropriate and effective risk management and compliance program, which identifies, evaluates and manages risks within business units and at the enterprise level. The Executive Director is required to appoint a Chief Risk and Compliance Officer, whose selection, compensation, and termination are to be affirmed by the Board. This position assists the Executive Director in fulfilling the Controls and Escalation Procedures, and has been staffed.

Also in accordance with the IPS, the executive director of the Board has organized an Investment Oversight Group (IOG) to regularly review and formally escalate exceptions or events that might have a material impact on the Trust Fund. The minutes of its meetings, with a list of participants, are posted to the Fund website. The IOG meets and reports monthly to the Executive Director.

As discussed below, the Auditor General conducts an annual financial audit of PRIME, and the IPS states that this audit "will include testing for compliance with this Policy," (the IPS.)

The IPS also requires the Trustees to review and approve management summaries of material impacts on the Fund and any actions or escalations, along with any required actions thereon. The Monthly Summary Reports, which are provided on the website, constitute these management summaries. (See further discussion on the contents of this Report under section 218.409(6).) As reflected in the quarterly reports to the Joint Legislative Auditing Committee, the Trustees have reviewed and approved the monthly summary reports.

The above safeguards assure that the administration of the Trust Fund is in accordance with stringent standards of disclosure designed to prevent the loss of funds from fraud, error, misrepresentation, market changes or imprudent actions by the Board or a money manager, and in some aspects exceed what is required by statute.

> **(2)(d) The investment policy shall be reviewed and approved annually by the trustees or when market changes dictate, and in each event the investment policy shall be reviewed by the Investment Advisory Council.**

As set out above, the Investment Policy Statement was readopted, endorsed by the Investment Advisory Council and approved by the Trustees on June 13, 2018.

> **(3) The board or a professional money management firm may purchase such surety or other bonds as may be necessary for its officials in order to protect the trust fund. A reserve fund may be established to fulfill this purpose. However, any reserve must be a portion of the management fee and must be fully disclosed, including its purpose, in the enrollment materials at the time a unit of local government considers participation. Further, any change in the amount to be charged for a reserve must have a reasonable notice period to allow any participant to withdraw from the trust fund prior to the new reserve charge being imposed.**

No surety or other bonds have been purchased to protect the Trust Fund, and there is no reserve fund.

> **(4) The board or a professional money management firm shall purchase investments for a pooled investment account in which all participants share pro rata in the capital gain, income, or losses, subject to any penalties for early withdrawal. Any provisions for penalties, including their purpose, must**

be disclosed in the enrollment materials. Any change in the amount to be charged for a penalty must have a reasonable notice period to allow any participant to withdraw from the trust fund prior to the new penalty charge being imposed. A system shall be developed by the board, and disclosed in the enrollment materials, subject to annual approval by the trustees, to keep account balances current and to apportion pooled investment earnings to individual accounts.

All participants in the Trust Fund share pro rata in all capital gains, income or losses, as set out in the Description of Investment Pool Earnings Allocation, posted to the website. This system is designed to keep account balances current and to apportion pooled investment earnings to individual accounts.

(5) The board shall keep a separate account, designated by name and number of each participating local government. A maximum number of accounts allowed for each participant may be established by the board. Individual transactions and totals of all investments, or the share belonging to each participant, shall be recorded in the accounts.

Separate accounts are kept for each participant. The Board has not established a limit on the number of accounts a participant may have.

(6)(a) The board or a professional money management firm shall provide a report, at a minimum monthly or upon the occurrence of a material event, to every participant having a beneficial interest in the trust fund, the board's executive director, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The report shall include:

1. Reports of any material impacts on the trust fund and any actions or escalations taken by staff to address such impacts. The trustees shall provide quarterly a report to the Joint Legislative Auditing Committee that the trustees have reviewed and approved the monthly reports and actions taken, if any, to address any impacts.

2. A management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month. This management summary shall be prepared in a manner that will allow anyone to ascertain whether investment activities during the reporting period have conformed to investment policies. Such reporting shall be in conformance with best market practices. The board or a professional money management firm shall furnish upon request the details of an investment transaction to any participant, the trustees, and the Investment Advisory Council.

A document titled Monthly Summary Report is produced monthly to address the above requirements and made available on the Florida PRIME website.

The quarterly reports of the Trustees to the Joint Legislative Auditing Committee showing that the Trustees have reviewed and approved the monthly reports and taken responsive action, per the above, are memorialized in the agendas of the meetings of the Trustees of the State Board of Administration, posted to the SBA website.

> **(6)(b) The market value of the portfolio shall be calculated daily. Withdrawals from the trust fund shall be based on a process that is transparent to participants and will ensure that advantages or disadvantages do not occur to parties making deposits or withdrawals on any particular day. A statement of the market value and amortized cost of the portfolio shall be issued to participants in conjunction with any deposits or withdrawals. In addition, this information shall be reported monthly with the items in paragraph (a) to participants, the trustees, and the Investment Advisory Council…**

The market value of the Fund portfolio is calculated daily by BNY Mellon and posted on the website the next day. The Information Statement and Operating Procedures, posted to the website as part of the New Participant Enrollment Guide, sets out the operating procedures for the Fund, including hours of operation, holidays and timing of transactions. These procedures are transparent and appear to ensure, to the extent possible, that disadvantages do not occur to parties making deposits or withdrawals on particular days, as each participant has equal access to the transaction system. A statement of the market value and amortized cost of the portfolio is available at all times to participants on the website, and participants receive monthly individual account statements.

> **…The review of the investment portfolio, in terms of value and price volatility, shall be performed with practices consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." In defining market value, consideration shall be given to GASB Statement 31…**

Compliance with the above part of section 218.409(6)(b) will be determined in part two of the annual certification, conducted by Aon Hewitt Investment Consulting, Inc.

> **…Additional reporting may be made to pool participants through regular and frequent ongoing multimedia educational materials and communications, including, but not limited to, historical performance, investment holdings, amortized cost and market value of the trust fund, credit quality, and average maturity of the trust fund investments.**

Additional materials are available on the Trust Fund website and are provided through the monthly reports. Board staff are available for direct communication with participants for any questions regarding their accounts.

(7) Costs incurred in carrying out the provisions of this part shall be deducted from the interest earnings accruing to the trust fund. Such deductions shall be prorated among the participant local governments in the percentage that each participant's deposits bear to the total trust fund. The remaining interest earned shall be distributed monthly to participants according to the amount invested. Except for costs, the board or a professional money management firm may not transfer the interest or use the interest for any other purpose, including, but not limited to, making up investment losses.

The above statutory requirement was present in the law before the 2008 revisions and has been discussed in previous reviews because it is theoretically problematic: If fund investment values were to decline sufficiently in a given month, there would be no interest from which to pay costs, and the literal requirements of this provision could not be met within a given month. Staff have reviewed this issue and updated last year's analysis in the following statement:

The Florida PRIME total expense ratio is approximately 3.23 basis points (or 0.0323%), with the SBA's portion of the total fees equal to 1.0 basis point (or 0.01%). Historical asset levels with an average annual balance of $8.9 billion over the last 5 years have been more than sufficient to generate adequate fees to cover all administrative, operational, compliance and investment management charges. All pool charges have continued to be reported within the Monthly Summary Report, including the actual monthly line-item fees.

(8)(a) The principal, and any part thereof, of each and every account constituting the trust fund shall be subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action shall be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures prior to the expiration

of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.

In the time period covered by this review, the principal of all accounts in the Trust Fund has been paid at any time requested by a participant and there have been no events causing the Executive Director to limit contributions or withdrawals.

(8)(b) An order to withdraw funds may not be issued upon any account for a larger amount than the share of the particular account to which it applies; and if such order is issued, the responsible official shall be personally liable under his or her bond for the entire overdraft resulting from the payment if made.

In the time period covered by this review, there have been no orders to withdraw funds for a larger amount than the share of a particular account.

(9) The Auditor General shall conduct an annual financial audit of the trust fund, which shall include testing for compliance with the investment policy. The completed audit shall be provided to the participants, the board, the trustees, the Investment Advisory Council, and the Joint Legislative Auditing Committee. As soon as practicable, but no later than 30 days after completion of the audit, the trustees shall report to the Joint Legislative Auditing Committee that the trustees have reviewed the audit of the trust fund and shall certify that any necessary items are being addressed by a corrective action plan that includes target completion dates.

The Auditor General annual financial audit of the Trust Fund, Report No. 2019-067, for the fiscal years ended June 30, 2018 and 2017, was completed in December 2018. The audit did not disclose any deficiencies in internal control over Florida PRIME's financial reporting that were considered to be material weaknesses. The report noted no instances of noncompliance or other matters required to be reported under Government Auditing Standards, and included as audit objectives determining if the SBA had complied with various provisions of laws, rules, contracts, the IPS, and other guidelines that are material to the financial statements.

AUTHORIZATION TO PROVIDE ASSISTANCE

218.411 Authorization for state technical and advisory assistance.

(1) The board is authorized, upon request, to assist local governments in investing funds that are temporarily in excess of operating needs by:

(a) Explaining investment opportunities to such local governments through publication and other appropriate means.

> **(b) Acquainting such local governments with the state's practice and experience in investing short-term funds.**
>
> **(c) Providing, in cooperation with the Department of Economic Opportunity, technical assistance to local governments in investment of surplus funds.**
>
> **(2) The board may establish fees to cover the cost of such services, which shall be paid by the unit of local government requesting such service. Such fees shall be deposited to the credit of the appropriation or appropriations from which the costs of providing the services have been paid or are to be charged.**

The education offerings of the Fund are being discontinued, and there have been no instances of the SBA providing technical assistance to a fund participant in this review period.

> **218.412 Rulemaking authority.—**
>
> **The board may adopt rules as it deems necessary to carry out the provisions of this part for the administration of the trust fund.**

As noted above, the Board has adopted rules for the administration of the Fund at Chapter 19-7, Florida Administrative Code, which are up to date.

OTHER SECTIONS OF PART IV, CHAPTER 218

Part IV of Chapter 218, Florida Statutes covers other facets of investment of local government funds, such as local government investment policies (Section 218.415.) Because this review, as mandated by Section 218.405, is of the pooled investment fund created by 218.405 only, these sections are not a part of this review.

STATE BOARD OF ADMINISTRATION
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ASHBEL C. WILLIAMS
EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

Date: April 29, 2019

To: Board of Trustees

From: Judy Goodman, Audit Committee Chair

Subject: Quarterly Audit Committee Report

The State Board of Administration's Audit Committee met on April 29, 2019. Please see the attached agenda for the items discussed. Also please see the attached Office of Internal Audit Quarterly Report presented to the Audit Committee at the meeting.

STATE BOARD OF ADMINISTRATION
Audit Committee Open Meeting
Agenda
April 29, 2019
9:30 A.M. – Conclusion of Business

1. Call to Order

2. Approve minutes of open meeting held on January 28, 2019

3. SBA Executive Director & CIO status report
   - SBA Update: investment performance, risks, opportunities and challenges

4. Presentation on the results of the OPPAGA Report

5. Presentation of Crowe Horwath's audit plan for the financial statement audits of FRS Pension Plan and FRS Investment Plan for the year ending June 30, 2019

6. Proposed FY 2019-2020 Internal Audit Budget

7. OIA Annual Audit Plan for FY 2019-2020

8. Office of Internal Audit Quarterly Report

9. Chief Risk & Compliance Officer Quarterly Report
   - Enterprise Risk Management Risk Assessment Results
   - Performance Metrics Presentation

10. Other items of interest

11. Closing remarks of the Audit Committee Chair and Members

12. Adjournment

OFFICE OF INTERNAL AUDIT

SBA FLORIDA

STATE BOARD OF ADMINISTRATION

Office of Internal Audit (OIA) Quarterly Report to the Audit Committee

April 29, 2019

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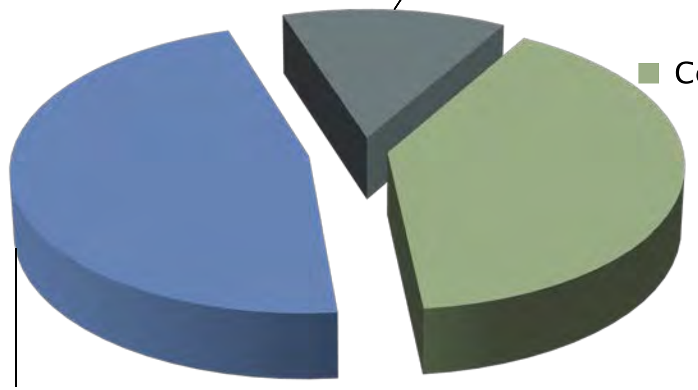
Status of the FY 2018-19 Annual Audit Plan

Status of the FY 2018-19 Annual Audit Plan

Internal Audit and Advisory Engagements

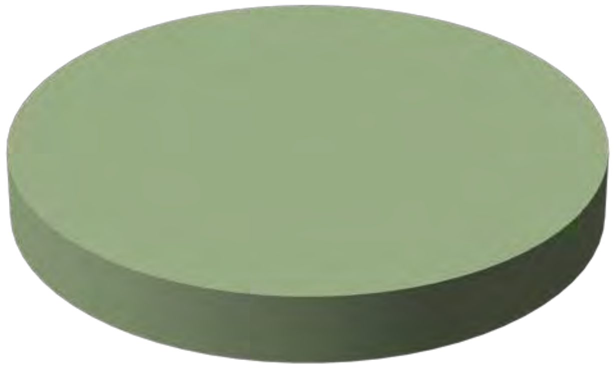


Highlighted: Completed since prior quarterly report.

Projects Status	Type	Planned Timing
Completed		
Externally Managed Derivatives Audit (carryover)	OIA Operational Audit	Q2
ACH Advisory FHCF (carryover)	OIA Advisory	Q2
Proxy Voting Data Analytics	OIA Advisory	Q3
Performance and Risk Analytics	OIA Operational Audit	Q3
Periodic Follow-up Audit	OIA Operational Audit	Q4
Review of Critical Financial Reporting Spreadsheets	OIA Advisory	Q4
In Progress		
Continuous Monitoring - General	OIA Advisory	Ongoing
Action Plan Monitoring	Project Management	Ongoing
Continuous Monitoring - Accounts Payable	OIA Advisory	Q3
Continuous Monitoring - Travel & Expense	OIA Advisory	Q3
Strategic Investments	OIA Operational Audit	Q3/Q4
Business Continuity Program Peer Survey	OIA Advisory	Q3/Q4
CIS CSC Framework Gap Assessment	OIA Advisory	Q3/Q4
Not Started		
Network and Application Change Control	OIA Operational Audit	Q4
Real Estate - Direct Owned	OIA Operational Audit	Q4

Status of the FY 2018-19 Annual Audit Plan

External Engagement Oversight

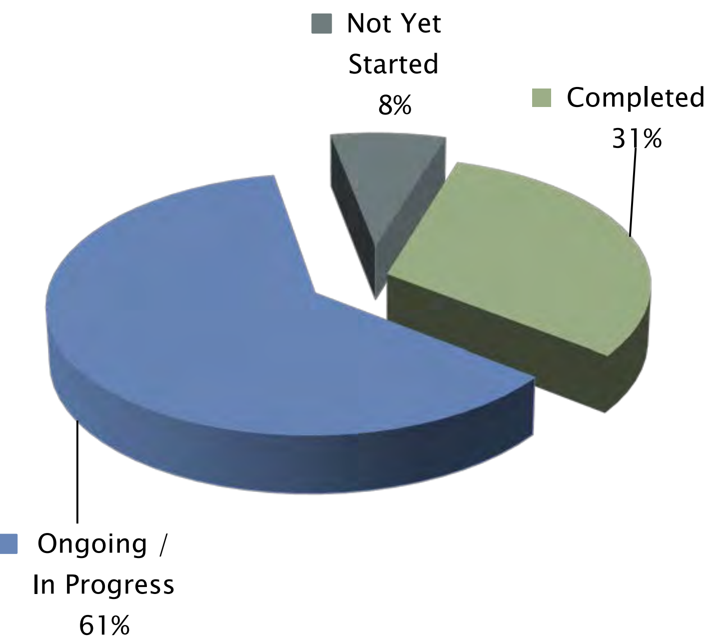


Highlighted: Completed since prior quarterly report.

Project Status	Service Provider	Type	Planned Timing
Completed			
Network Security, outsourced	BDO	External IT Audit	Q1/Q2
Florida Retirement System (FRS) Trust Fund	Crowe	External Financial Statement Audit	Q1/Q2
FRS Investment Plan Trust Fund	Crowe	External Financial Statement Audit	Q1/Q2
Florida PRIME	Auditor General	External Financial Statement Audit	Q1/Q2
Florida Hurricane Catastrophe Fund	KPMG	External Financial Statement Audit	Q1/Q2
Part of the Statewide CAFR	Auditor General	External Financial Statement Audit	Q2/Q3
Florida Growth Fund Initiative	OPPAGA	External Review	Q1/Q2
Biennial Review	OPPAGA	External Review	Q2/Q3
External Validation of OIA's Self-Assessment	IIA Quality Services	External Review	Q3
In Progress			
None			
Not Started			
None			

Status of the FY 2018-19 Annual Audit Plan

Special Projects, Risk Assessments, and Other Activities



Highlighted: Completed since prior quarterly report.

Project Status	Type	Planned Timing
Completed		
Annual Quality Assessment Review - Self-Assessment	OIA Quality Assurance	Q1/Q2
Integrated Risk Management Solution ITN	OIA Special Projects	Q2/Q3
Annual Risk Assessment	OIA Risk Assessment	Q2/Q3
Annual Audit Plan	OIA Risk Assessment	Q3
Ongoing/In Progress		
Data Analytics Tools Enhancements	OIA Special Projects	Ongoing
Special requests from SBA management and/or Audit Committee	OIA Special Projects	Ongoing
WorkSmart Portal Enhancements	OIA Special Projects	Ongoing
Audit Committee Related Activities	OIA Audit Committee	Ongoing
Continuous Risk Assessment with Data Analytics/Risk Assessment Updates*	OIA Quality Assurance	Q3/Q4
CFO/COO Key Metrics*	OIA Special Projects	Q3/Q4
Assistance with Aladdin Implementation	OIA Special Projects	Q3
OIA process improvement initiatives, including QAR identified initiatives	OIA Quality Assurance	Q3/Q4
Not Yet Started		
Teacher Retirement System of Texas Peer Review	OIA Special Projects	Q4

*These projects will be combined into one project next FY: Enterprise-wide KRI Collaboration

OIA Projects Completed and Status of Management Action Plans/Recommendations

Performance and Risk Analytics Operational Audit

Our risk-based audit assessed the existence, adequacy and effectiveness of key internal controls and the efficiency and compliance of the processes to relevant policies, IPGs and the IPS for the compilation, validation, and quality assurance of performance data utilized by SBA for the period April through September 2018. When possible, we performed data analytics on select data for the period. In certain cases, we reviewed information subsequent to our cut-off date to provide updated information.
For the full report, please see Appendix D.

Audit Objectives

Our primary objectives for this project were to understand internal and external sources of investment performance data flow into SBA system(s) and evaluate integrity of data and completeness for data flows, and any updates made to data. We evaluated controls for performance returns calculations of various processes, for complete, accurate, and effective reporting of performance measurement data reports. We also evaluated segregation of duties concept and access controls to performance data and related systems.

Legend for Control Effectiveness Rating	# of Key Controls
Effective	19
Improvement Needed	8
Not Effective	9
Total Key Controls	**36**

Observations in the Report:		Status of Action Plan:
6	High	Target completion date for high recommendations is between January through June 2019
16	Medium	Target completion date for medium recommendations is between March through September 2019
0	Low	NA
22	**Total Observations**	

Quality Self-Assessment with Independent Validation

On March 20, 2019 we received the final report from IIA Quality Services regarding our OIA external quality assessment. We were evaluated on Attribute Standards, Performance Standards and Code of Ethics. The IIA concurred with all recommendations contained in the OIA self-assessment. We are pleased with the evaluation and have attached the report and survey results for your review. *For the full assessment, please see Appendix B and Appendix C.*

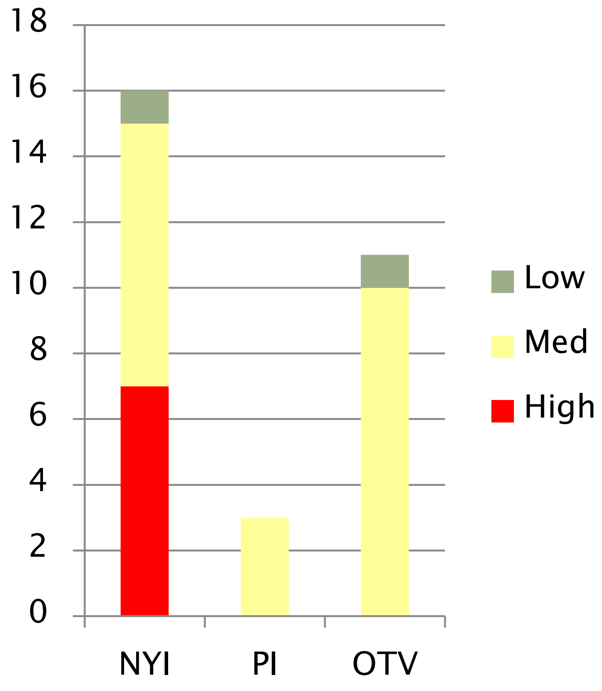
Legend for Conformance	# of Standards & Code of Ethics
Generally Conforms	49
Partially Conforms	0
Does Not Conform	0
Not Applicable	4
Total Standards & Code of Ethics	**53**

New/Closed Action Plans & Recommendations

Audit and Advisory Engagements

# of Recs	Source	
New recommendations:		
14	OIA Report 2019-02 Performance & Risk Analytics Operational Audit (Appendix D)	
14	Total action plans/recommendations added to the database	
Closed action plans and recommendations:		
(1)	OIA Report 2019-02 Performance & Risk Analytics Operational Audit	Closed at report issuance (Appendix D)
(1)	OIA Report 2018-03 Real Estate Cash Transfers Advisory	Closed after consideration during the Annual Risk Assessment for FY 2019-20
(1)	OIA Report 2017-07 ICFR Advisory – FRS Investment Plan	
(2)	OIA Report 2018-08 FHCF ACH Advisory	
(3)	OIA Report 2017-02 ITGC Advisory	
(7)	ISO 22301 Implementation Analysis (SHBW Partners)	
(16)	Funston GRC Assessment	
(1)	OIA Report 2015-11 Accounts Payable Continuous Audit	Reported in the OIA Report 2019-03, Periodic Follow-up Audit (Appendix E)
(1)	OIA Report 2016-09 Trust Services Operational Audit	
(1)	OIA Report 2017-03 Global Equity Internal Trading Operational Audit	
(3)	OIA Report 2018-05 Externally Managed Derivatives Operational Audit	
(3)	OIA Report 2018-06 Incentive Compensation Program Audit	
(4)	OIA Report 2019-02 Performance & Risk Analytics Operational Audit	
44	Total action plans/recommendations closed in the database	
(30)	Total change for both audit and advisory action plans/recommendations	

Status of Management Action Plans–Audits



For details, see Appendix A.

		Risk Rating				Status			
Report Title	Report Date	High	Med	Low	**Total**	NYI	PIRP	OTV	**Total**
Fixed Income Trading Activities Operational Audit	1/29/2016		1		**1**		1		**1**
Global Equity Internal Trading Operational Audit	1/18/2017	1			**1**	1			**1**
Internally Managed Derivatives Operational Audit	3/31/2017	1	1		**2**	2			**2**
AG - Operational Audit 2017	11/13/2017		1	1	**2**			2	**2**
AG - IT Operational Audit 2017	4/5/2017		9		**9**			9	**9**
Incentive Compensation Program Operational Audit Report	4/10/2018		2	1	**3**	1	2		**3**
Externally Managed Derivatives Operational Audit	10/31/2018	1	2		**3**	3			**3**
Performance & Risk Analytics Operational Audit	2/21/2019	4	5		**9**	9			**9**
		7	21	2	30	16	3	11	30
		23%	70%	7%		53%	10%	37%	

Legend:
NYI - Not Yet Implemented
PIRP - Partially Implemented and the Remainder is in Progress
OTV - OIA to Verify

Management Action Plans relating to findings from audits performed by internal or external auditors. The OIA monitors and performs follow-up procedures on the management action plans in accordance with the IIA Standard 2500. A1. In certain cases, follow-up procedures are performed by external auditors.

Status of Recommendations – Advisory Projects

Report Title	Report Date	NYI	PI	IMP	Total
Information Technology General Controls Advisory Engagement (OIA)[1]	01/20/2017			8	**8**
Governance, Risk Management, and Compliance Assessment (Funston)[1]	01/15/2018	58	3	1	**62**
Network Security Assessment 2018 (BDO)[2]	11/15/2018	38		6	**44**
		96	3	15	**114**

(NYI, PI, IMP and Total are grouped under "Status".)

Legend:
NYI - Not yet implemented
PI - Partially Implemented, as represented by SBA management
IMP - Implemented, as represented by SBA management

Advisory Recommendations made by OIA or external consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The OIA monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1.

[1]At the advice of the Audit Committee, the OIA closes Advisory Recommendations that management represented as "complete" once the OIA has considered those in the annual risk assessment.

[2]Recommendations will be reviewed for remediation and closure by BDO as part of the 2019 Network Security Assessment.

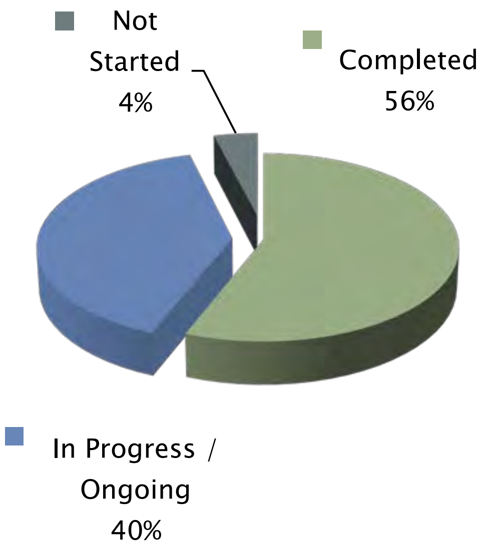
Example of Open Recommendations from GRC Assessment

Owner	GRC Report Topics
Executive Management	Legislature should consider eliminating statutory constraints on investments to reduce compliance burden and avoid potential sub-optimal investment decisions in the future when markets change.
	Legislature should consider eliminating statutory requirement for the Executive Director to be reappointed by the Trustees annually, as the ED is an at will employee who can be terminated at any time.
	SBA should consider the creation of a Deputy Chief Investment Officer.
	In the absence of specific parameters for compliance, the SIOs should work with the CRCO to establish reasonable upper and lower thresholds as applicable and beneficial to protect the fund.
	SBA should consider expanding the incentive compensation plan to include operations staff.
Internal Audit	OIA, RMC & BC to develop an Integrated Risk Management Solution.
Risk Management & Compliance	RMC should focus and prioritize compliance metrics on high level summary information that is useful and tailored to the differing needs of senior management, the Board and IAC. Compliance should provide metrics, scorecards or dashboards that are relevant to the users' different responsibilities.
	KPIs and KRIs should be operationalized (metrics developed) and tied to escalation triggers to increase objectivity and early identification to reduce time spent on subjective risk assessments.
	Performance & Risk Analytics should consider automating the current reconciliation processes using Business Intelligence software
	RMC to integrate data to create on-demand reporting that includes PRA and EIMO information. Timing will be dependent on staffing and other priorities.

For details, see
Appendix F

Other OIA Activities

Status of FY 2018-19 OIA Department Goals



Topic	Activities
Complete/Closed	
Annual Audit Plan	Flexibility was built into the Annual Audit Plan for FY 2018-19 and was approved at the April 2018 AC meeting.
	We signed a contract with ITCI to perform a Strategic Investments audit in FY2018-19. We also signed the SOW for BDO's 2nd Network Security Assessment.
IA Process	Included hours in the AAP for internal process improvements to enable OIA to continue to enhance its processes.
	Using SBA's contracting process, contracted with the IIA to perform OIA's external validation of our QA self-assessment.
	An anonymous survey was conducted by the IIA as part of their external validation of OIA's self-assessment.
	Performing our quality assurance self-assessment to ensure OIA is in compliance with the IIA Standards. Identify OIA process improvement initiatives during the QA.
	As part of our annual review of the charters, we considered the updated IIA pro-forma charters to determine if the OIA charter needs to be updated and we updated the AC charter based on certain Funston recommendations. Both charters approved by the AC. Trustees approved the AC charter.
Use of Technology	Requested IT manpower resources (Approximately 4 weeks of assistance from applications staff) for the activities related to IIAMS, IDEA and Tableau.
	Requested 2 portable monitors for laptops for OIA to share. (approximately $100 each) This request was declined for FY 2018-19.
	In collaboration with ERM and BC, issued an ITN for an Integrated Risk Management Solution, we will select the vendor through an evaluation process.
People	Based on knowledge gaps in the OIA staff developed a training plan for each member for 2018-19 to close those gaps. The training budget request was approved.
	Had at least one team building event during the fiscal year to enhance the team.
	Requested an additional FTE for an IT Senior Audit Analyst III. This request was declined for FY 2018-19.
	Our intern left in December and we decided not to hire another intern for the remainder of this fiscal year.
In Progress/Ongoing	
Annual Audit Plan	Continue to formalize our Data Analytics Program both project-based as well as a Continuous Auditing/Monitoring dashboards.
	Continue to determine where advisory initiatives may assist the SBA with process improvements, document controls, mapping processes, etc.
	Determine the number of management action plans implemented each month. OIA will perform a follow-up audit if there are at least 5 action plans implemented.
IA Process	Hold periodic OIA staff meetings discussing project lessons learned and status as well as any other issues of concern.
	Continue to review results from client surveys for projects for areas of OIA potential process improvements.
	Utilize Lean Six Sigma tools to the extent possible for audits and advisory projects.
Use of Technology	Continue to determine how we can use data analytics tools to test 100% of a population instead of testing samples, at the planning stage of each audit.
People	Consider loaning staff to other departments. Elizabeth is currently providing assistance to PMC for the Aladdin green package.
	OIA team members to attend the APPFA meetings. Two members attended the November 2018 meeting.
	OIA will develop relevant trainings to be held during our staff meetings and invite other business units to our meetings to enhance our knowledge over SBA initiatives.
Not Started	
Annual Audit Plan	Consider reviewing exit interviews as a part of the annual risk assessment process in assessing the control environment and potential risks.

Highlighted: Completed since prior quarterly report.

Other Items for Discussion

- Selection of vendor for an Integrated Risk Management Solution

- Introduce Senior Audit Data Analyst

- 2019 Audit Committee Meeting Dates
  - Monday, August 5
  - Monday, November 25

Questions/Comments

OFFICE OF INTERNAL AUDIT

OIA

SBA FLORIDA

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ASHBEL C. WILLIAMS
EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

MEMORANDUM

To: Ash Williams
From: Michael McCauley
Date: May 29, 2019
Subject: Quarterly Standing Report - Investment Programs & Governance

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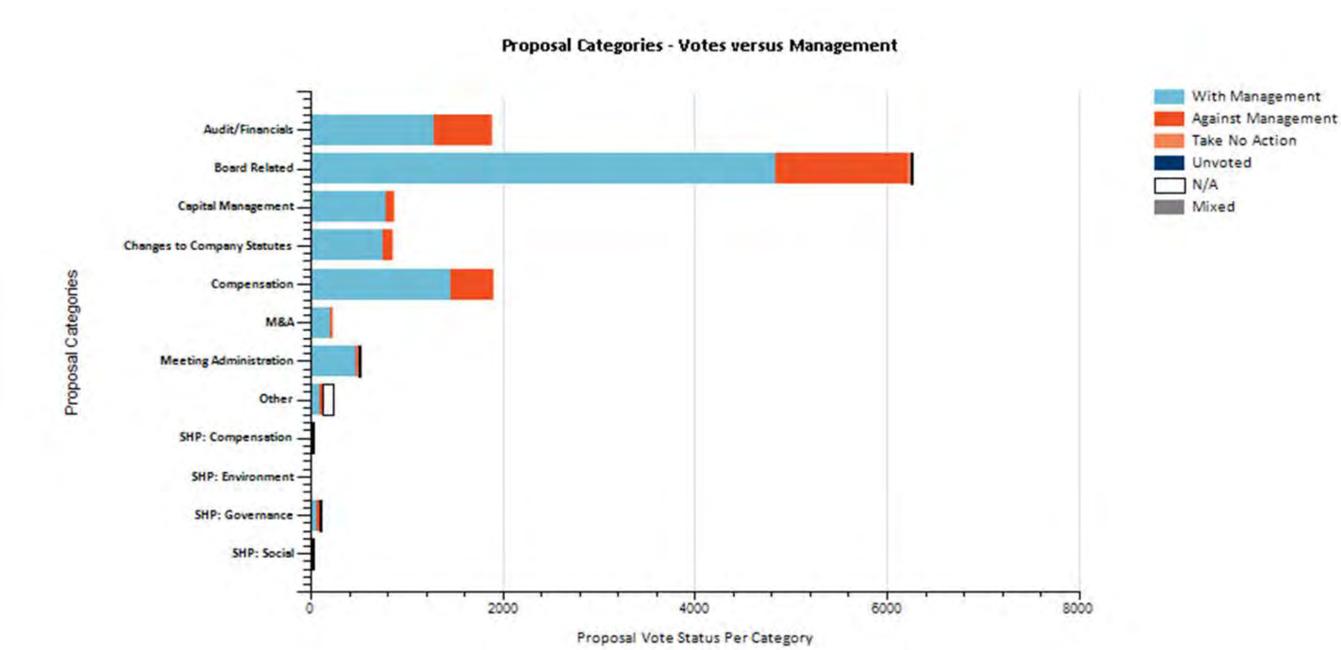
GLOBAL PROXY VOTING & OPERATIONS

During the first quarter of 2019, SBA staff cast votes at 1,663 companies worldwide, voting on ballot items including director elections, audit firm ratification, executive compensation plans, merger & acquisitions, and a variety of other management and shareowner proposals. These votes involved 12,798 distinct voting items—voting 77.1% "For'' and 20.3% "Against", with the remaining 2.6% involving abstentions. Of all votes cast, 21.1% were "Against" the management-recommended vote. SBA proxy voting occurred within 55 distinct global markets, with the top five countries comprised of South Korea (541), the United States (210), Japan (155), India (132), and China (93). The chart below provides the SBA voting breakdown across all major proposal categories during the first quarter of 2019.



INTERACTIVE PROXY VOTING DASHBOARD

During the first quarter of 2019, SBA staff finalized a new reporting tool allowing anyone to analyze SBA proxy voting data over multiple time horizons (data from July 1, 2016 through December 2018) and to filter and screen voting by date, market, region, and voting category. Individual company voting histories with notes are available for users to view, with sorting by meeting date, record date and country of origin. Geographic analysis is also offered, along with a breakdown of voting by meeting type (contested, annual, consent, etc.). Votes-against-management metrics are included by country and region, or any other custom group of capital markets selected by the user. The voting dashboard includes statistical breakouts with the year-over-year change in voting percentages. The voting dashboard is updated quarterly (now includes information through March 31, 2019), and future enhancements scheduled throughout the remainder of 2019 include new dimensions such as market capitalization, industry classification, and other corporate governance factors.

CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP

The most recent meeting of the Corporate Governance & Proxy Voting Oversight Group (Proxy Committee) occurred on March 14, 2019, and the Committee will meet next on June 24, 2019. The Proxy Committee continues to review ongoing governance issues including the volume and trends for recent SBA proxy votes, company-specific voting scenarios, corporate governance policies, governance-related investment factors, major regulatory developments and individual company research related to the Protecting Florida's Investments Act (PFIA) and other statutory investment requirements related to Israel and Venezuela.

ACTIVE OWNERSHIP & CORPORATE ENGAGEMENT

From March 2019 through late May 2019, SBA staff conducted engagement meetings with companies owned within Florida Retirement System (FRS) portfolios, including Adobe, Allergan, Bank of America, Goldman Sachs, Hudbay Minerals, and JPMorgan Chase.

LEADERSHIP & SPEAKING EVENTS

Staff periodically participates in investor and corporate governance conferences. Typically, these events include significant involvement by corporate directors, senior members of management, and other key investor or regulatory stakeholders. The following items detail involvement at events that occurred recently:

- On April 11, 2019, SBA staff was appointed to the Independent Steering Committee of Broadridge Financial Services. The Steering Committee is an oversight body charged with monitoring the performance, voting accuracy and readiness of Broadridge in conducting the U.S. street name proxy system on behalf of the nation's banks and brokers. The Committee periodically meets with the SEC and NYSE, and provides guidance to Broadridge on shareowner communications, ballot counting, SEC regulations, and operational issues that involve proxy tabulation/processing. The Committee has approximately 15 members who use proxy processing products and services, made up from the following securities industry groups: banks, brokers, issuers, institutional investors and industry constituents. Broadridge provides a variety of shareowner communications, tabulates proxy voting, offers an electronic voting platform and block-chain solutions, and other global securities processing.
- On April 9, 2019, SBA staff participated in a panel discussion on ESG investing at the Pension Bridge investment conference.
- On May 16, 2019, SBA staff participated in a panel discussion on corporate governance and engagement at the ESG Investing conference hosted by Pensions & Investments. The conference covered practical themes for corporate governance and ESG investing, including data integration, risk assessment, and techniques for factor integration.

HIGHLIGHTED PROXY VOTES

Bayer AG—at the company's April 26, 2019 annual general meeting, the management proposal to approve the discharge of the Management Board failed. The discharge ballot item received approximately 44% of votes in favor. As reported by Proxy Insight, "In a first for Germany's postwar corporate history, Bayer's shareholders gave a vote of no confidence to the company's bosses. Under German law, voting against discharge is one of the strongest forms of signaling dissatisfaction with management available to investors. Bayer's Werner Baumann is the first CEO of a Dax (German stock exchange) listed company to receive this form of no confidence vote." SBA staff voted against the ratification of management board acts, given the potential long-term reduction to shareowner value and considerably higher risk levels that management has incurred with the Monsanto purchase and associated glyphosate-related lawsuits. Bayer now faces over 13,000 glyphosate-related legal claims. The company announced it will schedule a special meeting in the next few months in response to the unprecedented lack of support for its board members. Bayer's total market capitalization is now trading below the value it paid for Monsanto—declining by over 41% since the Monsanto acquisition was completed in June 2018. Some German investors are voicing a desire to revamp the company's supervisory board and possibly restructure its operations, including the potential to spin-off its pharmaceutical unit. During the shareowner meeting, Supervisory Board Chairman Werner Wenning said the firm was working to improve the knowledge of crop-science among its board members.

Volkswagen AG—the May 3, 2019 annual meeting of Volkswagen AG reflected ongoing concerns regarding board stewardship in the wake of the VW emissions scandal. Former CEO Martin Winterkorn has now been indicted both in the US and in Germany for his role in the diesel fraud, while VW and subsidiaries have been fined approximately EUR 2 billion by German regulators. Nevertheless, the VW board has provided minimal transparency for investors, and actually reduced the number of independent board directors to zero. In 2018, the all-important audit committee shifted from 25% independence to 0%. In addition, Volkswagen has taken other steps to limit shareowner input, including the requirement that foreign investors submit proxy vote instructions in written format, along with mandatory power of attorney forms. For the May 3rd AGM, SBA staff cast a vote against all board members and supervisory board members for failure to act in the interests of shareowners and failure to maintain majority independent committees, particularly the audit committee in light of ongoing investigations. A vote was also cast against the reappointment of statutory auditor due to excessive non-audit fee revenue to the auditor, creating the potential for conflicts of interest or reduced independence of the statutory auditor. Volkswagen is considered a controlled company, with approximately 43% of shares held by Porsche and the German State of Lower Saxony. Despite the unusual occurrence of ISS and Glass Lewis both recommending against the full board, Volkswagen reported that all directors received over 98% support at the May 3rd AGM.

EssilorLuxottica— Essilor and Luxottica merged in 2017, but with eight board members from each entity the new company has struggled to establish clear leadership and clashed on the appointment of the next CEO. At the May 16, 2019 AGM, several asset managers came together in an attempt to bring direction to the board with the proposal of two new independent directors. The asset managers included one of SBA's external equity managers, Baillie Gifford, along with Comgest, Fidelity International, Sycomore AM, Guardian Capital, Edmond de Rothschild AM and Phitrust. SBA voted in support of the two independent directors this group proposed, Jesper Brandgaard, former CFO of Novo Nordisk, and Wendy Lane, current board member at Willis Towers Watson and MSCI. Final vote results showed 35% support for Brandgaard, and 43.7% for Lane. While short of the required majority to be added to the board, this still represents a strong result and investors continue to request the company add these independent directors to the board to solidify strategy and leadership in the interest of long-term investors.

REGULATORY ACTIONS

Employee Directors

The French parliament passed new legislation (the "PACTE" or Business Transformation and Growth Action Plan) that will require corporate boards with more than eight members to have two employee directors. Current French regulations require one employee director. Additional features of the new law require firms to: 1) consider the "social interest" in making business transactions; 2) disclose executive pay ratios; and 3) explain how non-financial criteria affect variable (performance-based) executive pay. The French securities regulator, the Autorité des Marchés Financiers (AMF), has constituted a new working group to further develop protections aimed at minority shareowners.

Executive Compensation—GAAP vs Non-GAAP Earnings

In May, the Council of Institutional Investors (CII) filed a petition with the Securities and Exchange Commission (SEC) advocating for improved regulations that currently allow companies to use alternative financial measures of earnings within their executive compensation plans. Often, such alternative earnings figures inflate the actual corporate earnings data and can materially affect paid compensation. Specifically, CII highlighted its concerns that companies using executive compensation targets based on Non-GAAP (Generally Accepted Accounting Principles) financial measures are not required to adequately disclose how those measures relate to GAAP earnings. Citing research from MIT's Sloan School of Management, CII noted that in 2016, the adjusted earnings of 28 companies in the S&P 500 stock index showed significant profits despite their GAAP earnings showing a profit loss. Another 37 companies in the S&P 500 index reported adjusted earnings more than 100 percent higher than their GAAP earnings, with a majority using Non-GAAP figures within their incentive compensation framework. The CII petition asks the SEC to revise the Division of Corporation Finance's current guidance to provide that all non-GAAP financial measures presented in a proxy statement's Compensation Discussion & Analysis (CD&A) are subject to the requirements of Regulation G and Item 10(e) of Regulation SK. Originally adopted as part of the Sarbanes-Oxley Act, Regulation G requires public companies that disclose or release Non-GAAP financial measures to include, at the same time, "a presentation of the most directly comparable GAAP financial measure and a reconciliation of the disclosed Non-GAAP financial measure to the most directly comparable GAAP financial measure."

NOTABLE RESEARCH & GOVERNANCE TRENDS

Credit Rating Agencies Integrate ESG Data into Credit Analysis

Standard & Poor's (S&P) is the latest rating agency to add ESG factors within the credit reports of all its 'top-tier' issuers (the largest listed companies with the highest levels of debt). Fitch Ratings has launched its own proprietary rating information, dubbed "ESG Relevance Scores," identifying sector-specific ESG credit risks that it believes are material to its credit rating decisions. Lastly, Moody's now publishes a cross-sector rating methodology explaining how it assesses ESG risks in its credit analysis globally.

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ASHBEL C. WILLIAMS
EXECUTIVE DIRECTOR & CIO

MEMORANDUM

To: Ashbel C. Williams, Executive Director & CIO

From: Maureen M. Hazen, General Counsel Maureen M. Hazen

Date: May 24, 2019

Subject: Office of General Counsel: Standing Report
For Period March 1, 2019 – May 17, 2019

SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 26 new agreements – including 2 Transition Management Agreements for Global Equity, 5 Private Equity transactions, 6 Strategic Investments, 1 Real Estate (fund) investment and 2 new Master Securities Forwards Agreements for Fixed Income; (ii) 126 contract amendments, addenda or renewals; and (iii) 4 contract terminations.

SBA Litigation.

(a) Passive. As of May 17, 2019, the SBA was monitoring (as an actual or putative passive member of the class) 662 securities class actions. During the period from March 1 – April 30, 2019, the SBA collected recoveries in the amount of $4,360,116.60 as a passive member in 21 securities class actions.

(b) Active.

In re Tribune Litigation. On January 24, 2012, the SBA was served a complaint (along with other defendants) now pending in the U.S. Bankruptcy Court, Southern District of New York by the Official Committee of Unsecured Creditors of the Tribune Company alleging damages for fraudulent conveyance and requesting the return of proceeds received by all defendant investors in a leveraged buy-out of the Tribune Company (which subsequently declared bankruptcy). Pursuant to a plan approved in the bankruptcy proceeding, the claim was transferred to the U.S. District Court, Southern District of New York (the "Court") and consolidated with additional parallel cases for multi-district litigation. The SBA received approximately $11 million in connection with this leveraged buy-out. Several amended complaints have been filed in the action in which the SBA was originally served in January, 2012 (the "FitzSimons Action"). In early 2017, the Court dismissed the intentional fraudulent transfer count (the only claim applicable to the SBA), and the SBA (and other defendants) are monitoring for a possible appeal. The Plaintiffs recently extended a settlement offer which the SBA rejected.

(ii) *Valeant* Opt-Out Action. During a previous period, the OGC recommended to the Trustees and you that the SBA file the opt-out with the group of plaintiffs being represented by Bernstein Litowitz. The SBA may have incurred more than $62 million in recoverable damages. The Trustees approved filing of the action on November 6, 2017, and the SBA subsequently filed the Complaint. On November 29, 2017, the Court issued a stay in discovery in the case pending the conclusion of the trial in the criminal case filed by the U.S. Department of Justice. In January 2018, the criminal trial concluded with a conviction, and the stay has been lifted. The SBA filed its Initial Disclosures for purposes of commencing discovery and continues to work on a response to a request for production.

(iii) LIBOR Litigation. The Attorney General's Office has commenced an investigation against several banks with respect to the alleged manipulation of LIBOR. The OGC and other SBA staff (e.g. Fixed Income, Financial Operations and Accounting) have been working with the Attorney General's Office since September, 2012. Since then, the Attorney General (representing the SBA) and the class counsel has settled the case with Barclays Bank, Citibank and Deutsche Bank, and the SBA has recovered over $13,000,000 in settlement proceeds. The plaintiffs also recently settled with UBS but have yet to receive recovery proceeds.

(c) FRS Investment Plan. During the period covered by this report, the General Counsel's Office monitored and/or managed the following cases for the Florida Retirement System Investment Plan (the "Investment Plan"). The SBA issued 3 Final Orders, received notice of filing of 6 new cases, and continued to litigate 9 cases (including 1 appellate case) that were pending during the periods covered by previous reports.

Other Matters.

(a) Public Records. During the period covered by this report, the General Counsel's Office received 25 new public records requests and provided responses to 27 requests. As of May 17, 2019, the General Counsel's Office continues to work on 6 open requests.

(b) SBA Rule Activities. The SBA did not engage in any rules activity in the period covered by this report.

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ASHBEL C. WILLIAMS
EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

MEMORANDUM

DATE: May 24, 2019

TO: Board of Trustees

FROM: Ken Chambers, Inspector General KC

SUBJECT: Quarterly Report on SBA Inspector General Activities

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The SBA Inspector General (IG) is responsible for serving as the organization's ethics officer; conducting internal investigations; overseeing Investment Protection Principles compliance; and handling special projects as directed by the Executive Director & CIO.

Ethics and Training

- Mandatory ethics training and certification of compliance are required for all SBA employees on an annual basis. The on-line training covers gifts, conflicts of interest, financial disclosure, outside employment, lobbyist/principal restrictions, honorarium related events, etc. In addition to ethics training, mandatory training is required annually for all employees in the areas of harassment prevention, personal investment activity, insider trading, incident management framework, and cybersecurity awareness. The deadline for completing the courses is June 30, 2019. Every other year, employees are also required to complete training courses for public records and the Sunshine Law. All new employees are required to take all of the mandatory training courses (which also includes a fiduciary responsibility course) within 30 days of their start date.

- During the period from March 5, 2019 to May 24, 2019, no instances were reported to the Inspector General concerning non-compliance with the SBA gift policy.

Investment Protection Principles Compliance

In September 2002, the Trustees of the SBA adopted Investment Protection Principles (IPPs) for broker-dealers and investment managers in the wake of Wall Street scandals involving tainted equity research and conflicts of interest. The IPPs are geared toward promoting independence, transparency and regulatory compliance, and adherence to the highest standards of ethics and professionalism. On an annual basis, written certification is required from equity, fixed income and real estate investment managers, and broker-dealers. Additionally, annual certifications have been developed for the investment services related consulting firms engaged by the SBA. These consulting firms are required to certify their compliance with certain independence and disclosure principles.

The compliance results for the consultants were reported in the previous quarterly report.

The IPP certifications for the equity, fixed income and real estate investment managers were disseminated in February. All of the investment managers completed and returned their IPP certification forms for the 2018 reporting period. An analysis of the 2018 certifications indicated full compliance with the IPPs by most of the investment managers. For the others, explanations were provided supporting that the managers are in compliance with the spirit of the IPPs.

Certification forms for broker-dealers were disseminated to the applicable firms in April 2019. All but a few of the certifications have been completed and returned, and the compliance results for all of the broker-dealers will be included in the next Trustees' report.

SBA Fraud Hotline

Since July 2006, The Network Inc. has been the independent provider of SBA Fraud Hotline services. Through an 800 number, SBA employees may anonymously report tips or information related to fraud, theft, or financial misconduct. The telephone number and information is prominently displayed on the SBA intranet home page. Additionally, the hotline information is available on the SBA internet site as part of the SBA Internal Control and Fraud Policy.

To date, no reports or tips have been received by the Hotline for 2019.

Financial Disclosure Forms

The Commission on Ethics requires certain state employees and officials who meet the reporting requirement to file an annual Financial Disclosure Form. All SBA employees who met this requirement have filed a Financial Disclosure Form with the Commission on Ethics for the year ending December 31, 2017, as well as all new employees hired during 2018. Disclosure Forms for 2018 were recently submitted to all affected employees and are due to the Commission by July 1, 2019.

Internal Investigations

During the period March 5, 2019 to May 24, 2019, one internal investigation was initiated by the Inspector General. The investigation is substantially complete but is still on-going.

cc: Ash Williams

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EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

DATE: May 24, 2019

TO: Ash Williams, Executive Director & CIO

FROM: Sooni Raymaker, Chief Risk & Compliance Officer SR

SUBJECT: Trustee Update – May 2019

The role of the Risk Management and Compliance (RMC) unit is to assist the Executive Director & CIO in maintaining an appropriate and effective risk management and compliance program to identify, monitor and mitigate key investment and operational risks. RMC plays a critical role in developing and enhancing the enterprise-wide system of internal controls. RMC proactively works with the Executive Director & CIO and designees to ensure issues are promptly and thoroughly addressed by management.

SBA senior management has created a culture of risk management and compliance through the governance structure, allocation of budgetary resources, policies and associated training and awareness. Management is committed to ethical practices and to serving the best interests of the SBA's clients.

Included below is a brief status report of RMC activities and initiatives completed or in progress during the period March 4, 2019 to May 24, 2019.

Risk Assessments and Management Plans

During the reporting period, the annual risk assessment was completed and presented to the Risk and Compliance Committee (RCC) for final review. The full report consisted of the following: SBA Business Model approved by the RCC in July 2018; Illustration of some high level risks to the SBA Business Model; Future SBA Risk Framework Mapped to the Business Model (to be further developed and refined); Annual Risk Assessment Summary (presented to RCC January 9, 2019); Risk Rating Guidance; Summary of Risk Ratings; Proposed Risk Appetite and Proposed Management Action Plan; Bow-tie Analysis of risk events based upon the results of the Annual Risk Assessment; and Risk Event Heat Map with Action Guidance.

The bow-tie analysis is a method of evaluating risk, designed to communicate the most relevant information for identified risks in a comprehensive and concise format. Each risk was expressed as a generalized "risk event", that is, a negative scenario that management proactively intends to avoid. Each analysis is based on comments and concerns raised during the Annual Risk Assessment interviews conducted in November and December 2018 and categorized in various risk buckets as potential causes and in some instances, consequences. The analysis also included current prevention and preparedness as well as potential actions management can implement to further mitigate the risk event.

Operational Due Diligence (ODD)

For the reporting period, as part of the SBA internal investment approval process, the SBA ODD Staff reviewed eighteen new funds/properties/managers across all SBA asset classes and ten investment contracts. The ODD Staff also conducted five on-site visits with two private asset managers and three public market asset managers.

The Florida Asset Manager Evaluation (FLAME) System is used by external mangers to complete and submit their annual certification. The ODD Staff team is currently reviewing 2018 annual certifications that are due by May 31, 2019.

Compliance Exceptions
No material compliance exceptions were reported during the period.

Compliance Systems
In addition to routine compliance testing and reporting, the primary focus of the Public Market Compliance (PMC) team this period continued to be the implementation of Blackrock's Aladdin system for holdings-based compliance. The testing phase of the project, which began in mid-January, is nearing completion. At the request of the SBA, Blackrock is currently working with BNY Mellon (BNYM) to add data fields to the daily feed from the custodian to enable additional automated testing. These fields include executing and clearing brokers, exchanges for derivatives trades, as well as amortized cost data for the Florida PRIME portfolio. Blackrock is also researching the possibility of populating ratings in Aladdin for approved repurchase agreement counterparties. Florida PRIME, the Real Estate Investment Trust accounts, and the accounts that will utilize the new data fields, remain open for additional SBA testing. This process consists of PMC staff reviewing detailed compliance reports for each portfolio to determine if results are accurate, providing written feedback to Blackrock on issues identified, and verifying that tests are rendering correctly, after revisions have been made. Blackrock is also in the process of developing a compliance dashboard to facilitate the extraction of summary level compliance data from Aladdin.

The project to code 200 compliance rules in the Bloomberg compliance system officially kicked off on May 3, 2019. PMC staff completed the coding template and provided this information to Bloomberg, in order for Bloomberg to begin their analysis and rule coding process. The acquisition of this service will increase the efficiency and effectiveness of automated pre-trade and post-trade compliance for internally managed Fixed Income portfolios maintained on Bloomberg. This project will be completed by the end of June.

In conjunction with the Aladdin and Bloomberg projects, advancements in automation continued to be made internally. During the period, a new compliance rule was coded in Bloomberg to conduct a pre-trade screen for internal Fixed Income trades prohibited by the Office of Foreign Assets Control. A second Bloomberg rule was programmed to flag collateral recalls on Fixed Income Treasury sales, and two additional rules were updated in BNY Mellon Compliance Monitor due to guideline revisions. Three new Global Equity accounts were also on-boarded, with all permitted/prohibited rules programmed by PMC staff in BNY Mellon Compliance Monitor for daily monitoring.

Counterparty Monitoring
ERM is currently working with BNY Mellon to enhance all counterparty reporting and associated production tools. The goal is to ensure the availability of relevant exposure reporting that provides clear visibility, data linkages and trend reporting to traders, senior management and oversight functions. Additional key risk indicators are being developed for operational processes affecting counterparty exposure. BNY Mellon continues to test a technology upgrade that would increase the relevance and efficiency of counterparty reporting.

Performance and Risk Analytics
Performance and Risk Analytics (PRA) is working with the Office of Internal Audit to strengthen existing controls and implement new ones. Excel spreadsheets used to reconcile custodian bank data are in the process of being converted to Crystal Reports as a part of this effort. The Senior Quantitative Analysts have finished the project to document existing code and finished working with the IT department to implement version control for the Counterparty Monitoring and Performance and Risk dashboards. They will continue to update documentation for any code changes and are now using the version control system. The SBA Information Technology office is currently upgrading the Eagle Investment System and the associated hardware. The upgrade includes the Pace performance system and the DataMart data warehouse, which are used and administered by PRA. PRA will begin testing the upgrades in late June and the upgrade is tentatively scheduled for early Fall.

Policy Activity
During the period there were fourteen revised policies, most of which were general updates as a result of biennial reviews, and four revised Investment Portfolio Guidelines. There are several policies currently in staffing with finalization anticipated during the next few of months. Work also continues on evaluation of policies as a whole to determine continued relevance as well as possible integration of like policies into one unified policy.

Personal Investment Activity
During the period there were twenty-nine requests for pre-clearance by SBA employees and seven of those requests required additional analysis due to the updated $20,000k/5% ownership threshold reporting requirement that became effective in February 2019. All of those requests were approved. Seven new employees submitted Initial Holdings Reports and two employees left the SBA. There was one violation of the SBA's Personal Investment Activity policy. The violation occurred when the spouse of an SBA employee traded a security on the last day of the blackout period rather than waiting until the following day when recheck was scheduled and the security would have been cleared to trade. The violation was reviewed and signed off by the CRCO, Inspector General, SOO- Human Resources, and Executive Director & CIO.

State Board of Administration of Florida

Major Mandate Review
First Quarter 2019

Empower Results®

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Aon Hewitt | Retirement and Investment
Investment advice and consulting services provided by Aon Hewitt Investment Consulting, Inc., an Aon Company.

Empower Results®

Executive Summary

- The major mandates each produced generally strong returns relative to their respective benchmarks over both short- and long-term time periods ending March 31, 2019.
- The Pension Plan outperformed its Performance Benchmark over the trailing one-, three-, five-, ten-, and fifteen-year periods.
  - Over the trailing five-year period, Private Equity is the leading source of value added, followed by Global Equity, Strategic Investments, and Real Estate.
  - Over the trailing ten-year period, the Pension Plan's return ranked in the top quartile of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods.
- The Lawton Chiles Endowment Fund outperformed its benchmark over the trailing one-, three-, five-, and ten-year periods.
- The CAT Funds' performance is strong over both short-term and long-term periods, outperforming the benchmark over the trailing three-, five-, and ten-year periods.
- Florida PRIME has continued to outperform its benchmark over both short- and long-term time periods.

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Pension Plan: Executive Summary

- The Pension Plan assets totaled $159.9 billion as of March 31, 2019 which represents a $9.2 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, outperformed over the trailing one-, three-, five-, ten-, fifteen-, twenty-, twenty-five-, and thirty-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the trailing one- and twenty-year period, and outperformed over the trailing three-, five-, ten-, fifteen-, twenty-five-, and thirty-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
  - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
  - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
  - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

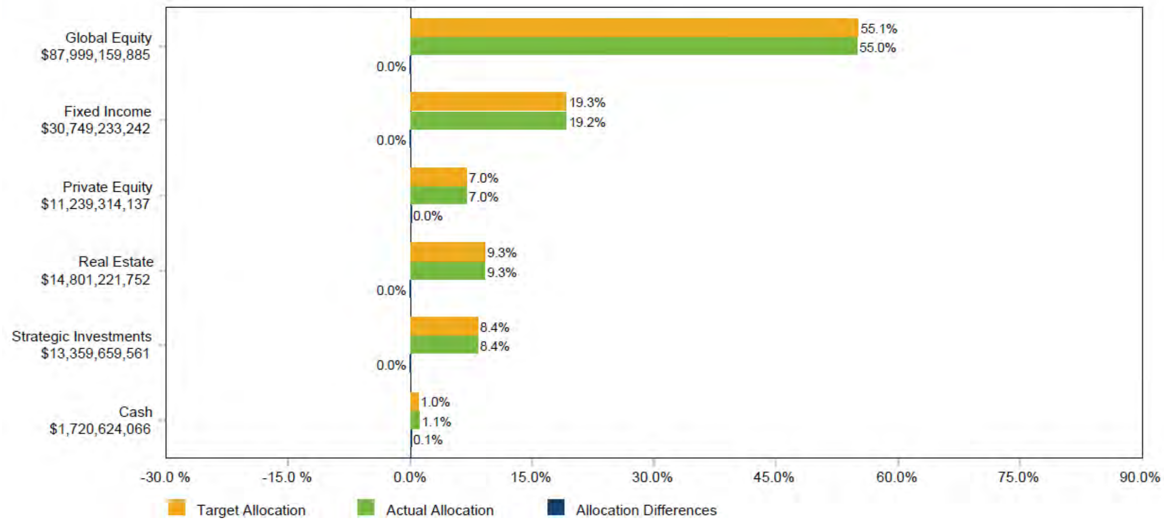
FRS Pension Plan Change in Market Value Periods Ending 3/31/2019

Summary of Cash Flows		
	First Quarter	**Fiscal YTD***
Beginning Market Value	$150,630,063,309	$160,438,424,775
+/- Net Contributions/(Withdrawals)	$(1,762,715,478)	$(5,334,630,776)
Investment Earnings	$11,001,864,812	$4,765,418,644
= Ending Market Value	$159,869,212,643	$159,869,212,643
Net Change	$9,239,149,334	$(569,212,132)

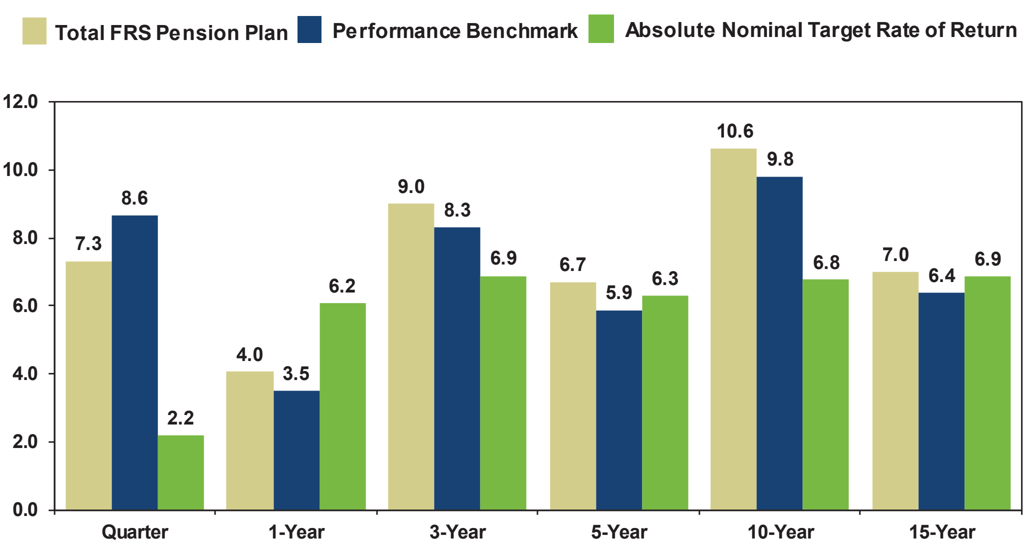
*Period July 2018 – March 2019

Asset Allocation as of 3/31/2019
Total Fund Assets = $159.9 Billion

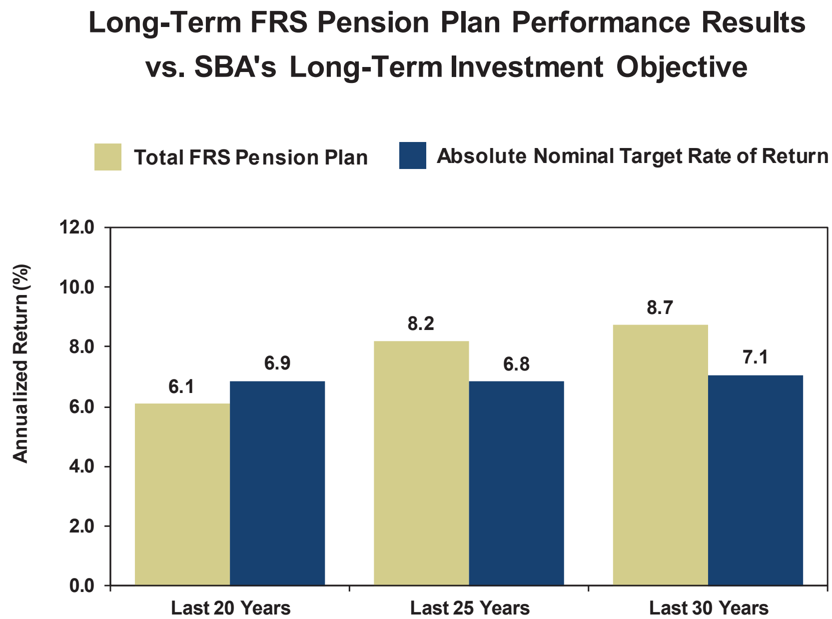
	Market Value ($)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	159,869,212,643	100.0	100.0		
Global Equity	87,999,159,885	55.0	55.1	45.0	70.0
Fixed Income	30,749,233,242	19.2	19.3	10.0	26.0
Private Equity	11,239,314,137	7.0	7.0	2.0	9.0
Real Estate	14,801,221,752	9.3	9.3	4.0	16.0
Strategic Investments	13,359,659,561	8.4	8.4	0.0	16.0
Cash	1,720,624,066	1.1	1.0	0.3	5.0



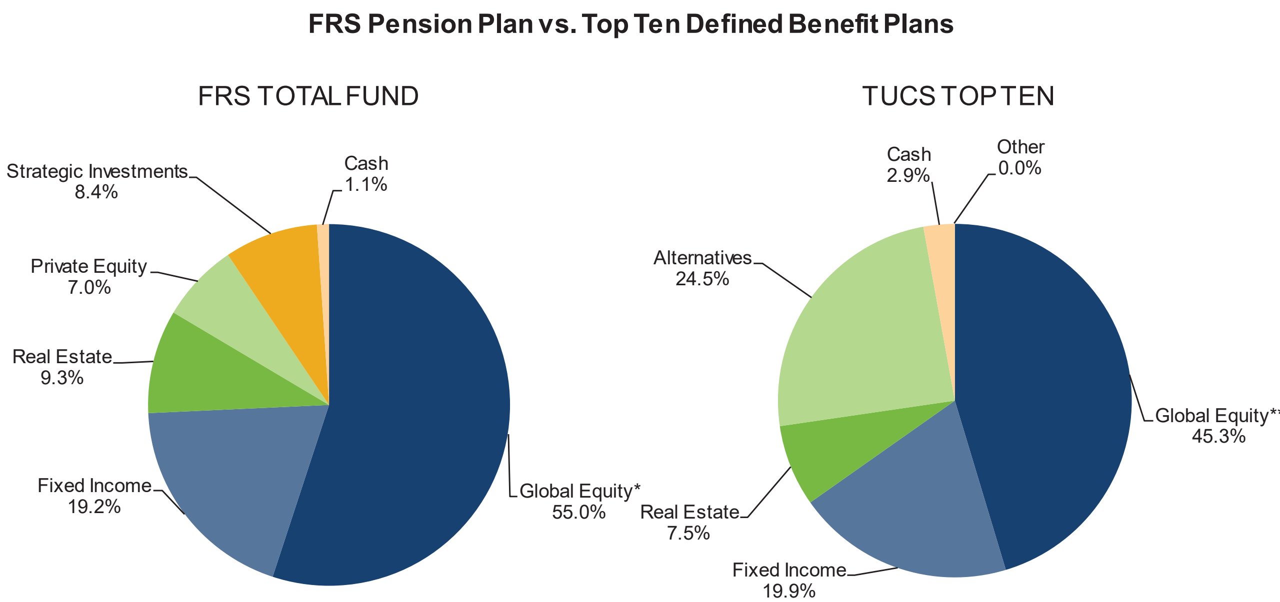
FRS Pension Plan Investment Results
Periods Ending 3/31/2019



FRS Pension Plan Investment Results
Periods Ending 3/31/2019



Comparison of Asset Allocation (TUCS Top Ten)
As of 3/31/2019

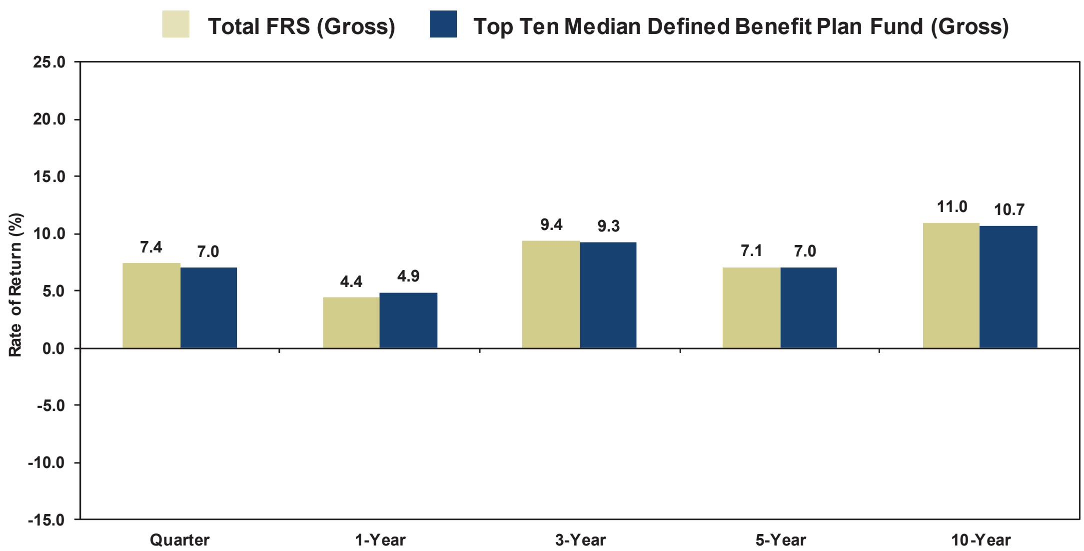


*Global Equity Allocation: 26.3% Domestic Equities; 22.4% Foreign Equities; 5.4% Global Equities; 0.9% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

**Global Equity Allocation: 28.9% Domestic Equities; 16.4% Foreign Equities.

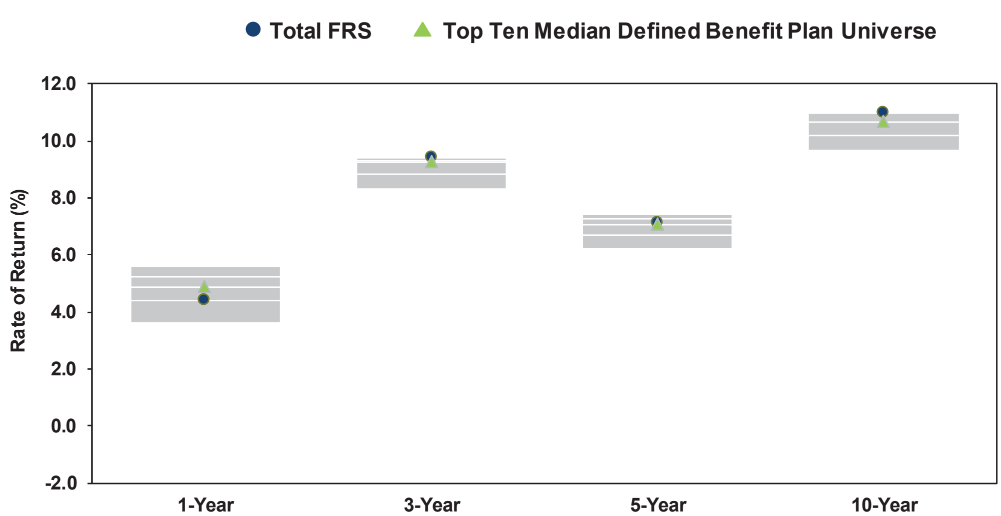
Note: The TUCS Top Ten Universe includes $1,549.6 billion in total assets. The median fund size was $152.5 billion and the average fund size was $155.0 billion.
Note: Due to rounding, percentage totals displayed may not sum perfectly.

FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 3/31/2019



Note: The TUCS Top Ten Universe includes $1,549.6 billion in total assets. The median fund size w as $152.5 billion and the average fund size w as $155.0 billion.

Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 3/31/2019



FRS Percentile Ranking	75	5	37	5

Note: The TUCS Top Ten Universe includes $1,549.6 billion in total assets. The median fund size w as $152.5 billion and the average fund size w as $155.0 billion.

Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2017 data. The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. Communication and education costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group.
- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

Total Investment Plan Returns & Cost

Periods Ending 3/31/2019*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	**-3.7%**	**8.8%**	**5.9%**	**9.1%**
*Total Plan Aggregate Benchmark***	-3.8%	8.4%	5.6%	8.7%
FRS Investment Plan vs. Total Plan Aggregate Benchmark	-0.1	0.4	0.3	0.4

Periods Ending 12/31/2017***

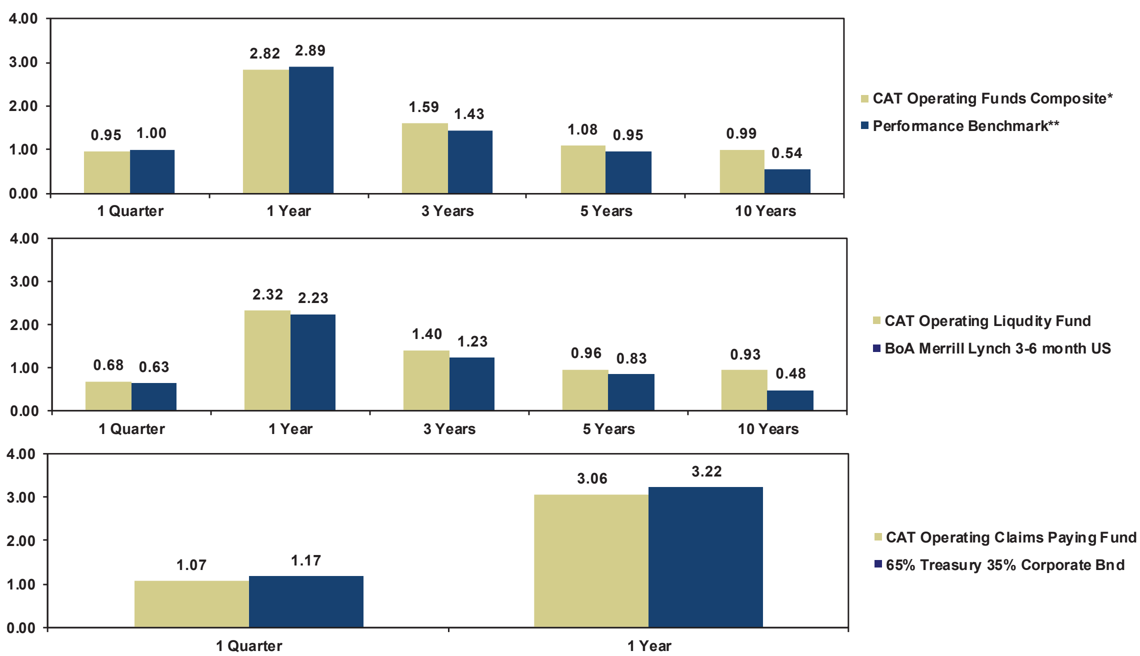
	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	**8.3%**	**0.2%**	**0.30%*******
Peer Group	9.6	0.2	0.28
FRS Investment Plan vs. Peer Group	-1.3	0.0	0.02

*Returns shown are net of fees.
**Aggregate benchmark returns are an average of the individual portfolio benchmark returns at their actual weights.
***Source: 2017 CEM Benchmarking Report. Peer group for the Five-Year Average Return and Value Added represents the U.S. Median plan return based on the CEM 2017 Survey that included 123 U.S. defined contribution plans with assets ranging from $93 million to $60.3 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 17 DC plans including corporate and public plans with assets between $2.3 - $18.6 billion.
****Returns shown are gross of fees.
*****The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

CAT Fund: Executive Summary

- Returns on an absolute basis continue to be modest given the current low interest rate environment.
- All CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Portfolio Guidelines appropriately constrain the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Portfolio Guidelines are revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.
- Over long-term periods, the relative performance of the CAT Operating Funds has been favorable as they have outperformed the Performance Benchmark over the trailing three-, five-, and ten-year time periods.

CAT Operating Funds Investment Results
Periods Ending 3/31/2019



*CAT Operating Funds: Beginning March 2008, the returns for the CAT Operating Funds reflect marked-to-market returns. Prior to that time, cost-based returns are used. Beginning February 2018, the CAT Operating Funds were split into two different sub funds, the CAT Fund Operating Liquidity Fund and the CAT Fund Operating Claims Paying Fund. Performance for each sub fund is shown below.

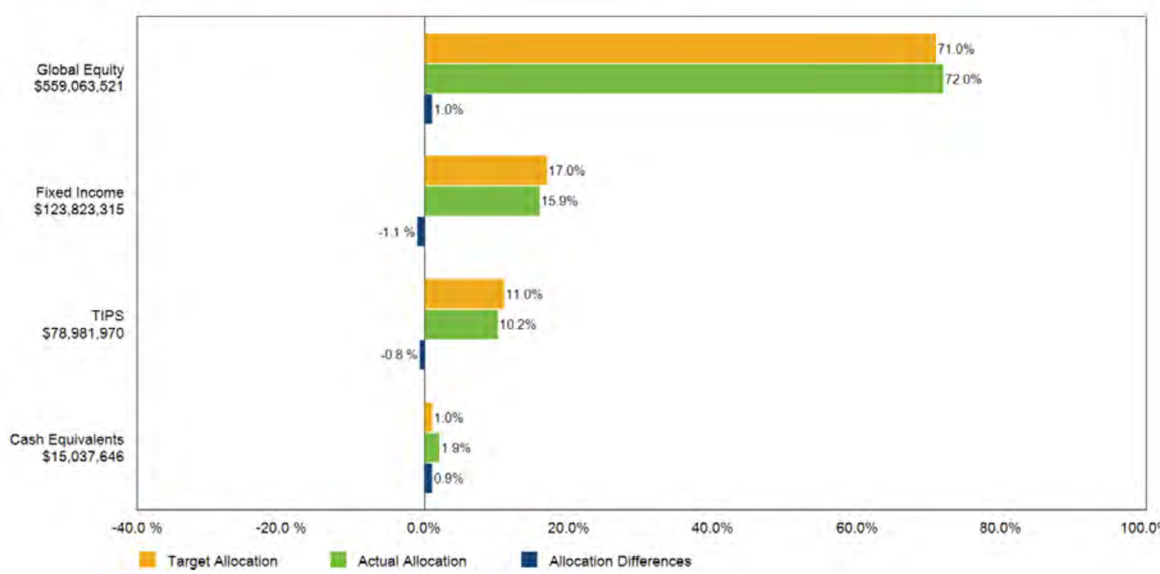
**Performance Benchmark: Beginning February 2018, the CAT Fund Operating Liquidity Fund was benchmarked to the B of A Merrill Lynch 3-6 Month US Treasury Bill Index, and the CAT Fund Operating Claims Paying Fund benchmark is a blend of 35% of the Bank of America Merrill Lynch 1-3 Year AA U.S. Corporate Bond Index and 65% of Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index. Additional benchmark history can be found in the appendix.

Lawton Chiles Endowment Fund: Executive Summary

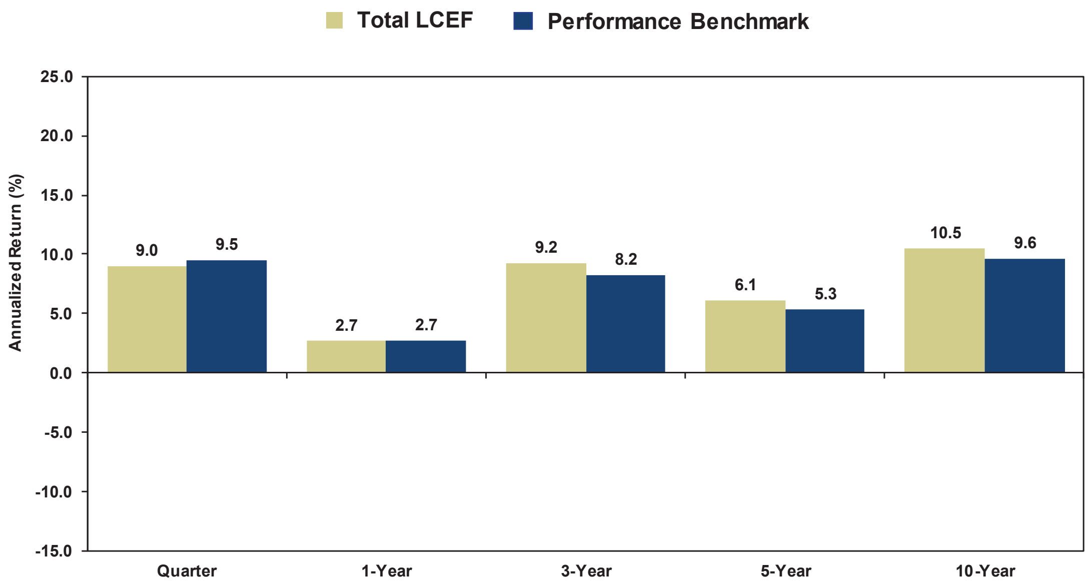
- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
  - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
  - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled $776.9 million as of March 31, 2019.
- The Endowment's return outperformed its Target over the trailing three-, five-, and ten-year time periods and performed in-line or slightly below its Target over the trailing quarter and one-year.

Asset Allocation as of 3/31/2019
Total LCEF Assets = $776.9 Million

	Market Value ($)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	776,906,452	100.0	100.0		
Global Equity	559,063,521	72.0	71.0	61.0	81.0
Fixed Income	123,823,315	15.9	17.0	12.0	22.0
TIPS	78,981,970	10.2	11.0	6.0	16.0
Cash Equivalents	15,037,646	1.9	1.0	0.0	10.0



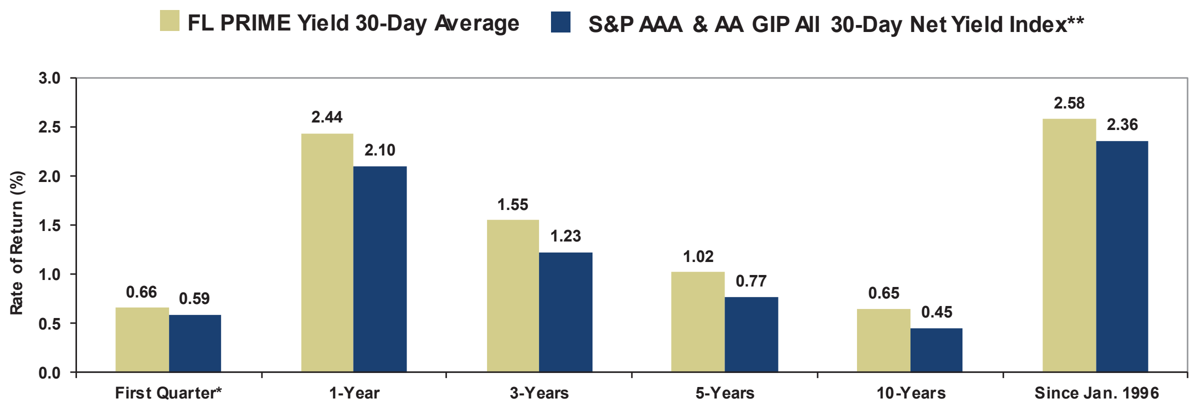
LCEF Investment Results
Periods Ending 3/31/2019



Florida PRIME: Executive Summary

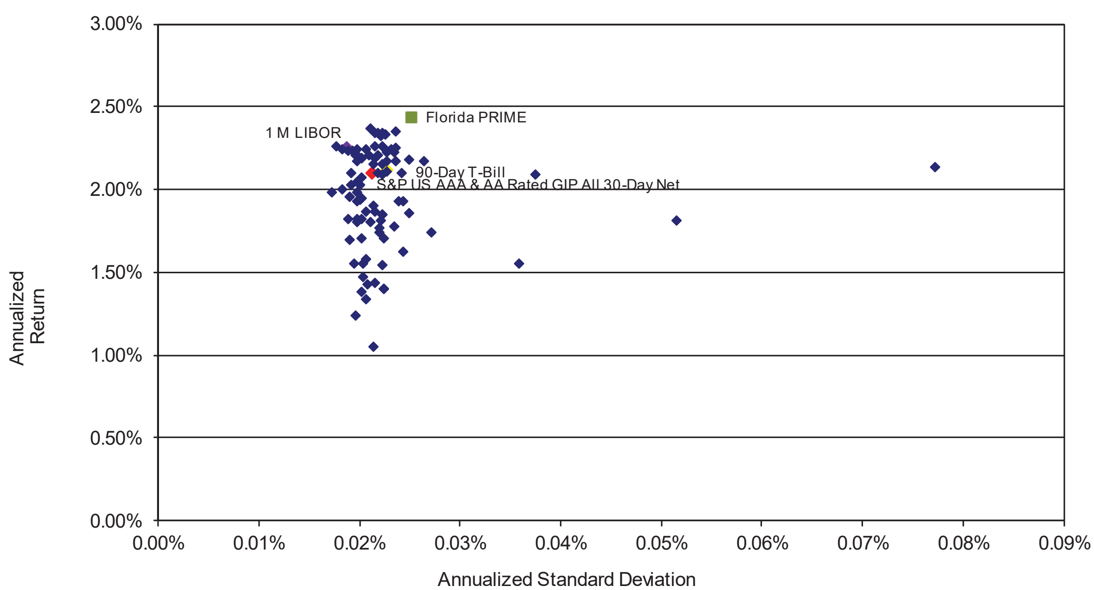
- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME has been strong over short- and long-term time periods, outperforming its performance benchmark during the quarter and over the trailing one-, three-, five-, and ten-year time periods.
- As of March 31, 2019, the total market value of Florida PRIME was $13.9 billion.
- Aon Hewitt Investment Consulting, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

Florida PRIME Investment Results
Periods Ending 3/31/2019

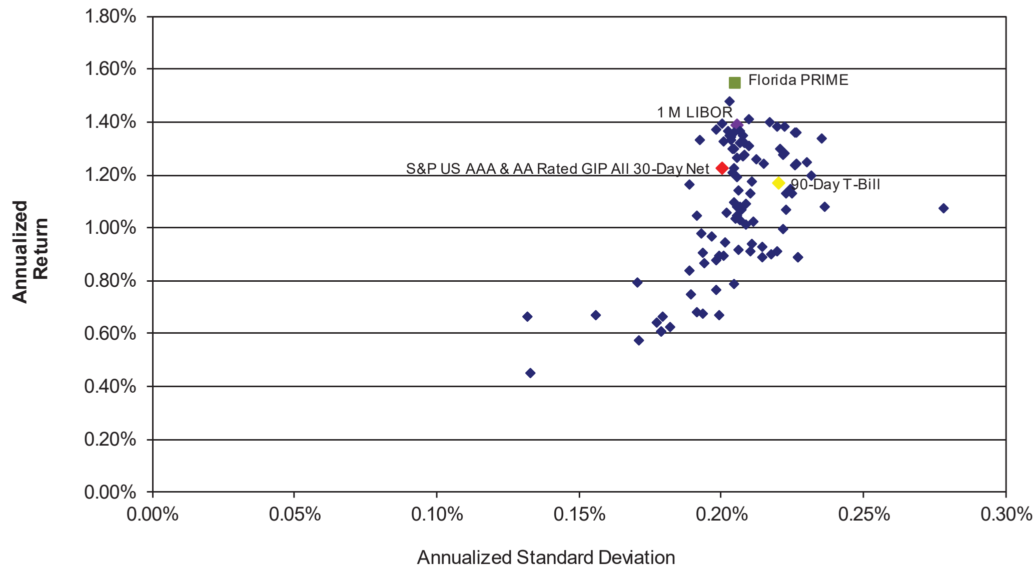


*Returns less than one year are not annualized.
**S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

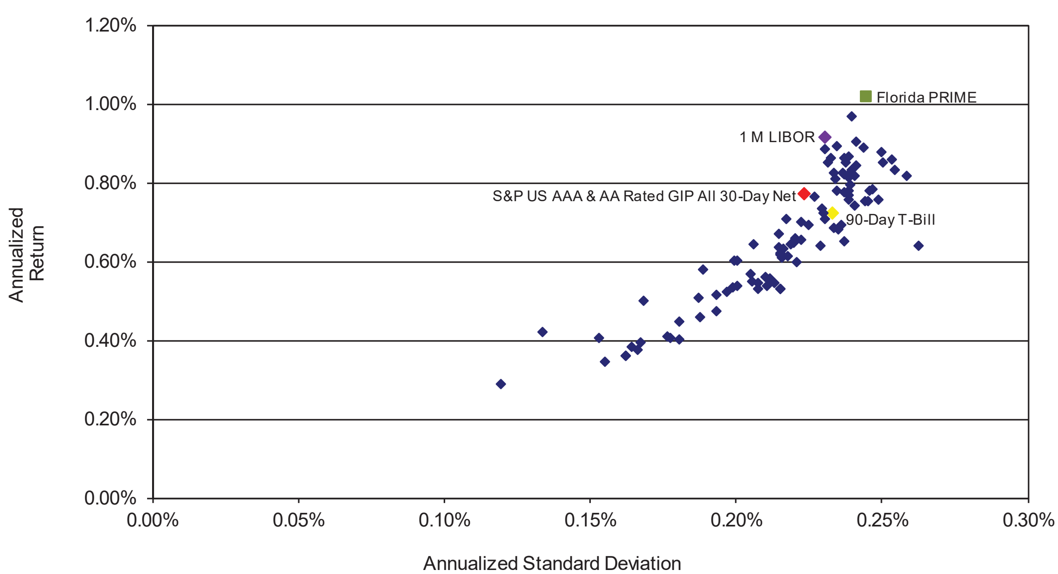
Florida PRIME Risk vs. Return
1 Year Ending 3/31/2019



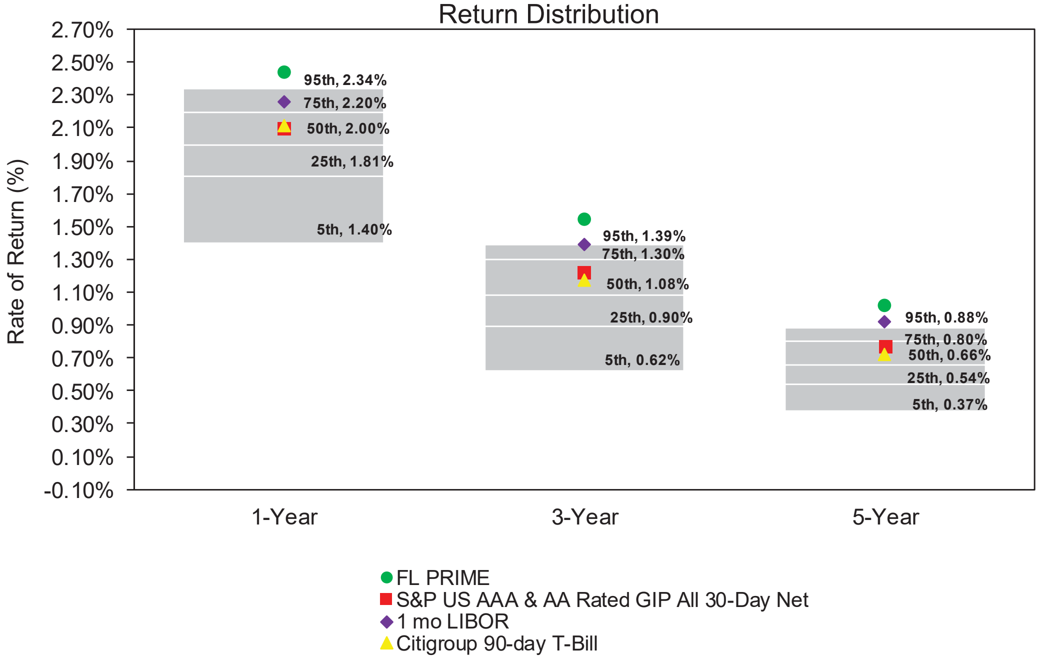
Florida PRIME Risk vs. Return
3 Years Ending 3/31/2019



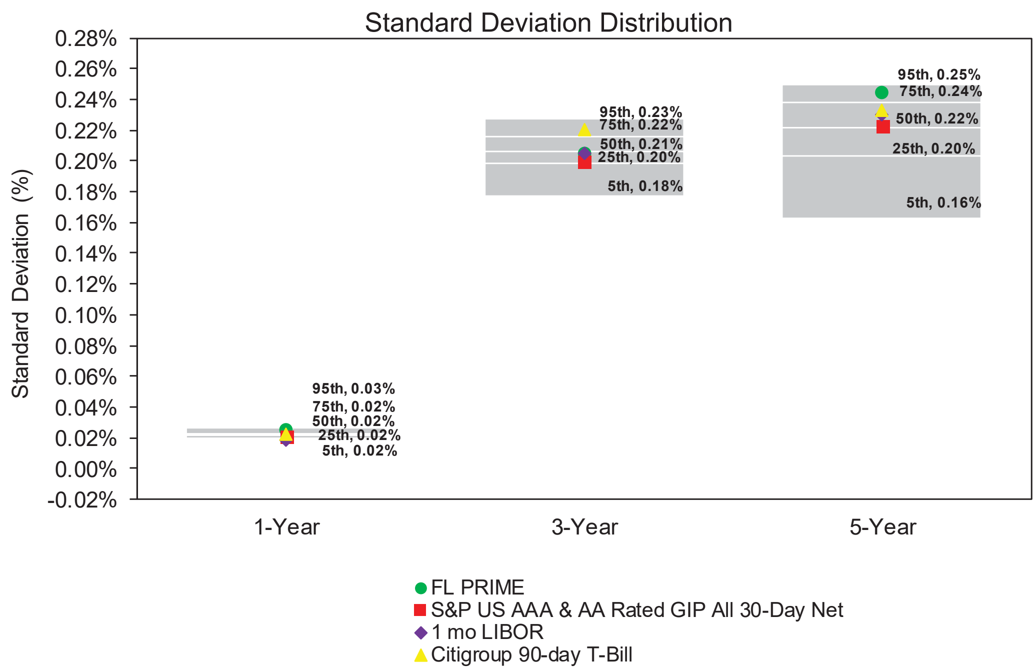
Florida PRIME Risk vs. Return
5 Years Ending 3/31/2019



Return Distribution
Periods Ending 3/31/2019



Standard Deviation Distribution
Periods Ending 3/31/2019



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Appendix

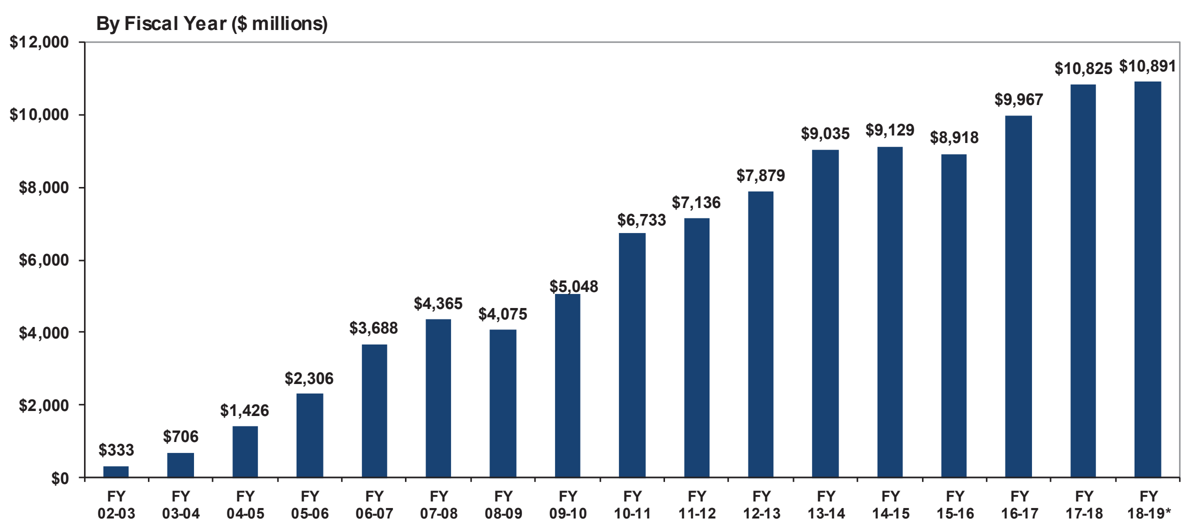
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.15%	0.79%
Small-Mid Cap Equity	0.59%	0.99%
International Equity	0.31%	0.94%
Diversified Bonds	0.15%	0.53%
Target Date	0.15%	0.60%
Money Market	0.06%	0.39%

*Average fee of multiple products in category as of 3/31/2019.

**Source: AHIC's annual mutual fund expense analysis as of 12/31/2018.

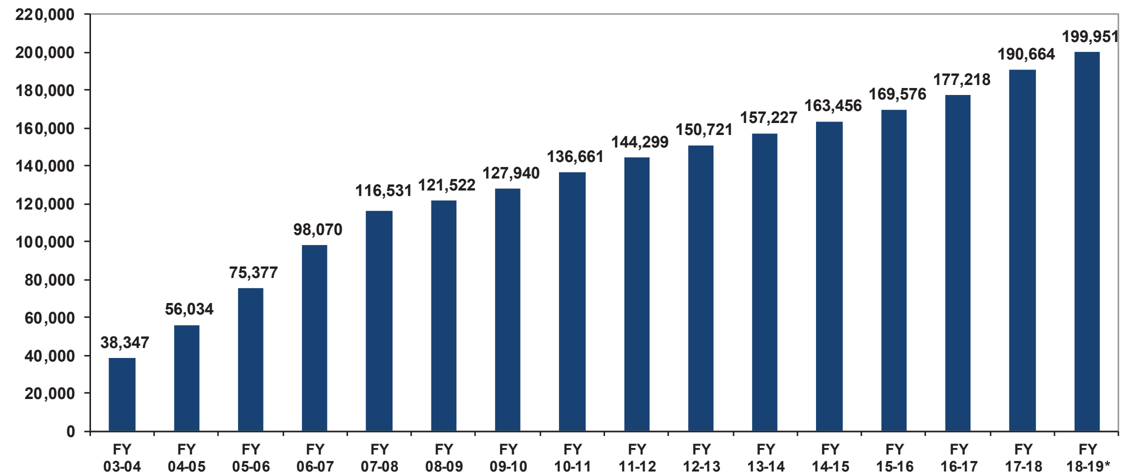
Investment Plan Fiscal Year End Assets Under Management



*Period Ending 3/31/2019

Source: Investment Plan Administrator

Investment Plan Membership



***Period Ending 12/31/2018**

Source: Investment Plan Administrator

Florida Hurricane Catastrophe Funds Background and Details

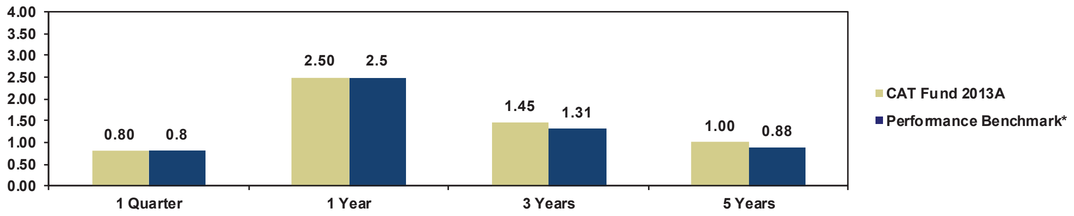
- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.

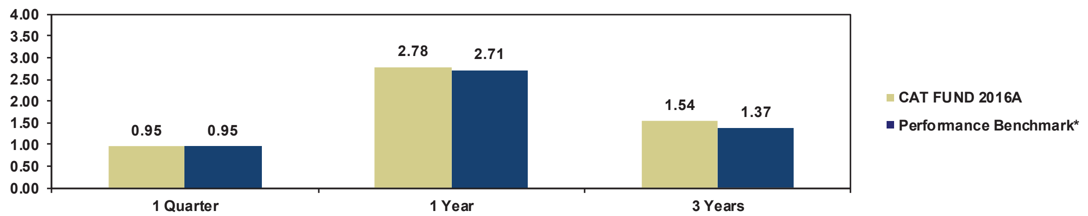
- The CAT Operating Funds, along with CAT 2016 A Fund and CAT 2013 A Fund are internally managed portfolios.

- As of March 31, 2019, the total value of:
  - The CAT Operating Funds was $14.1 billion
  - The CAT 2016 A Fund was $1.2 billion
  - The CAT 2013 A Fund was $1.0 billion

- History of the CAT Funds Benchmarks: *The CAT Operating Funds were benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Beginning February 2018, the CAT Operating Funds were split into two different sub funds, the CAT Fund Operating Liquidity Fund and the CAT Fund Operating Claims Paying Fund. Beginning February 2018, the CAT Fund Operating Liquidity Fund was benchmarked to the B of A Merrill Lynch 3-6 Month US Treasury Bill Index, and the CAT Fund Operating Claims Paying Fund benchmark is a blend of 35% of the Bank of America Merrill Lynch 1-3 Year AA U.S. Corporate Bond Index and 65% of Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index.*

CAT 2013 A and 2016 A Funds Investment Results
Periods Ending 3/31/2019





*Performance Benchmark: Beginning February 2018, the CAT 2013 A and 2016 A Funds were benchmarked to themselves.

CAT Operating Funds Characteristics
Period Ending 3/31/2019

Maturity Analysis	
1 to 30 Days	0.48%
31 to 60 Days	0.35
61 to 90 Days	2.83
91 to 120 Days	10.41
121 to 150 Days	7.21
151 to 180 Days	9.15
181 to 270 Days	3.51
271 to 365 Days	1.03
366 to 455 Days	2.46
>= 456 Days	62.57
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	71.89%
AA	19.10
A	9.01
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%

CAT 2013 A Fund Characteristics
Period Ending 3/31/2019

Maturity Analysis	
1 to 30 Days	3.06%
31 to 60 Days	0.00
61 to 90 Days	0.00
91 to 120 Days	1.56
121 to 150 Days	5.29
151 to 180 Days	5.20
181 to 270 Days	7.13
271 to 365 Days	9.22
366 to 455 Days	15.82
>= 456 Days	52.72
Total % of Portfolio:	100.00%

Bond Rating Analysis	
AAA	87.68%
AA	10.34
A	1.98
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%

CAT 2016 A Fund Characteristics
Period Ending 3/31/2019

Maturity Analysis	
1 to 30 Days	0.04%
31 to 60 Days	0.00
61 to 90 Days	44.92
91 to 120 Days	3.30
121 to 150 Days	0.06
151 to 180 Days	0.19
181 to 270 Days	0.52
271 to 365 Days	4.10
366 to 455 Days	2.39
>= 456 Days	44.48
Total % of Portfolio:	100.00%

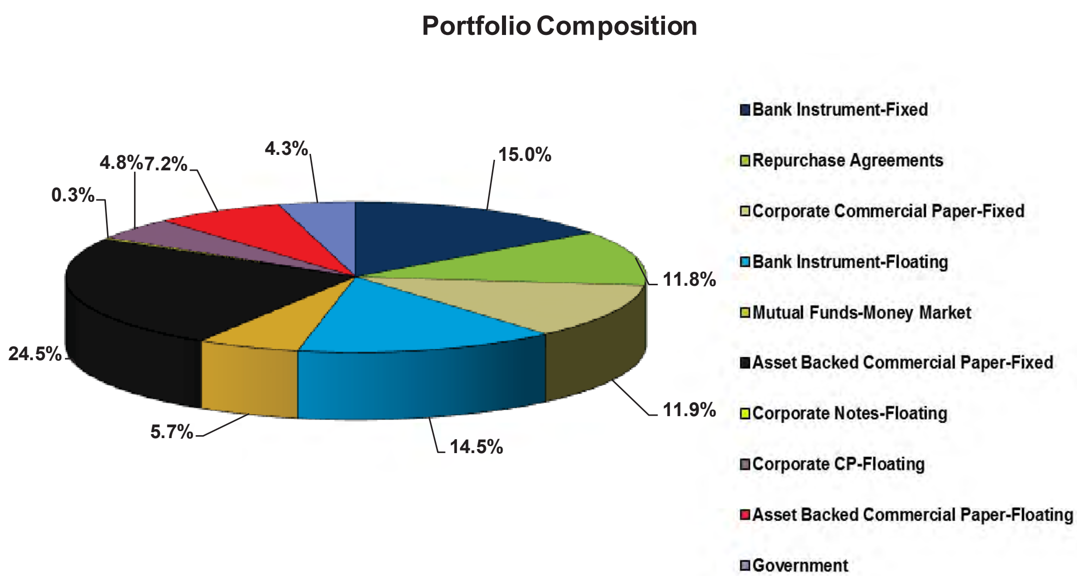
Bond Rating Analysis	
AAA	72.77%
AA	19.78
A	7.45
Baa	0.00
Other	0.00
Total % of Portfolio	100.00%

Florida PRIME Characteristics
Quarter Ending 3/31/2019

Cash Flows as of 3/31/2019	First Quarter	Fiscal YTD*
Opening Balance	$13,837,973,408	$10,512,100,060
Participant Deposits	$4,843,410,532	$20,322,945,802
Gross Earnings	$92,853,622	$221,827,831
Participant Withdrawals	($4,877,387,992)	($17,158,274,207)
Fees	($1,111,705)	($2,861,620)
Closing Balance (3/31/2019)	$13,895,737,865	$13,895,737,865
Change	**$57,764,457**	**$3,383,637,805**

*Period July 2018 – March 2019

Florida PRIME Characteristics
Quarter Ending 3/31/2019



Florida PRIME Characteristics
Period Ending 3/31/2019

Effective Maturity Schedule	
1-7 Days	40.2%
8 - 30 Days	18.3%
31 - 90 Days	26.2%
91 - 180 Days	9.7%
181+ Days	5.6%
Total % of Portfolio:	**100.0%**

S & P Credit Quality Composition	
A-1+	60.9%
A-1	39.1%
Total % of Portfolio:	**100.0%**

FRS Pension Plan | First Quarter 2019

Quarterly Investment Review

Visit the Aon Retirement and Investment Blog *(https://retirement-investment-insights.aon.com); sharing our best thinking.*

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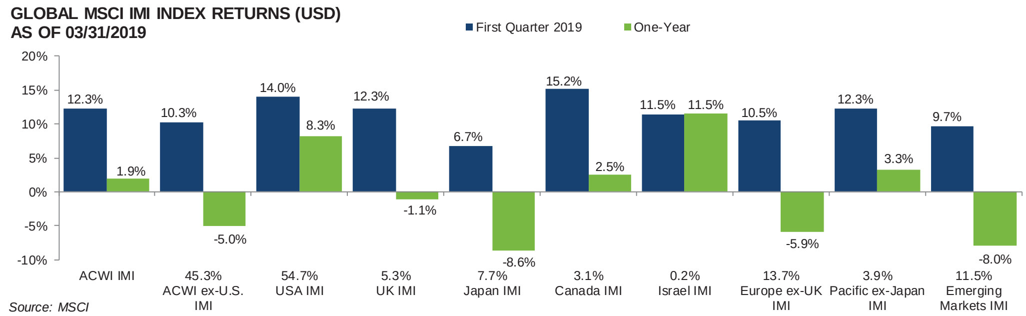
Market Environment

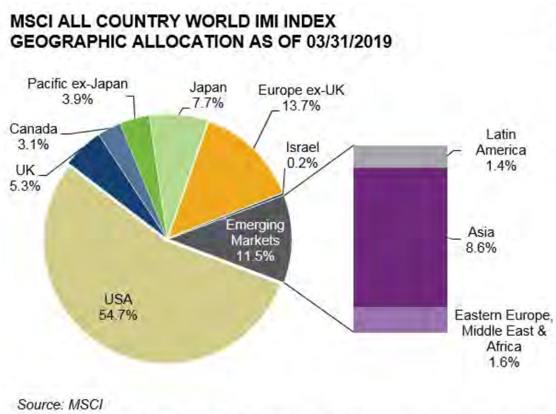
Empower Results®

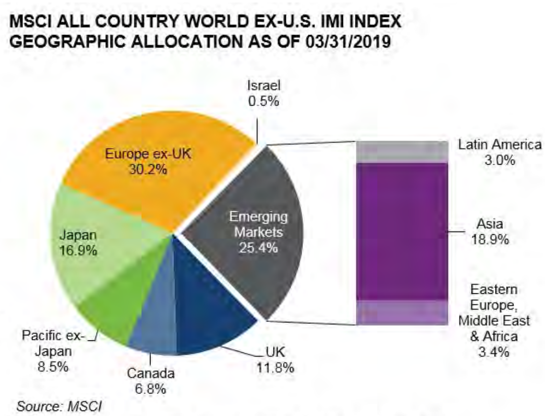
Global Equity Markets



- Concerns of slowing global growth and trade wars partially eased in the first quarter of 2019, bolstering global equities in the process. In local currency terms, the MSCI AC World Investable Market Index returned 12.3% – not quite fully offsetting the previous quarter's decline.
- Rising oil prices and encouraging performance from Canadian Financials and Energy, combined with a strengthening of the Canadian dollar against the U.S. dollar resulted in the Canadian equity market being the strongest performer (USD terms) over the quarter.
- Japanese and European (ex-UK) equities were predominantly boosted by valuation multiple expansion. This came despite deteriorating economic dataflow, with Japanese and eurozone PMIs moving into contractionary territory, weak industrial production and falling inflation.
- Strong sterling performance over the quarter on the back of increased possibility of a "no deal" Brexit scenario boosted UK equity market returns in USD terms. In local currency terms, however, UK equities largely lagged other markets.

Global Equity Markets

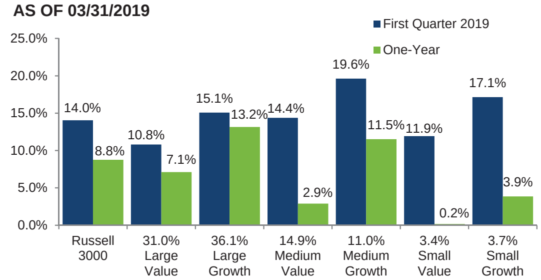




- The two exhibits on this slide illustrate the percentage that each country/region represents of the global and international equity markets as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index, respectively.

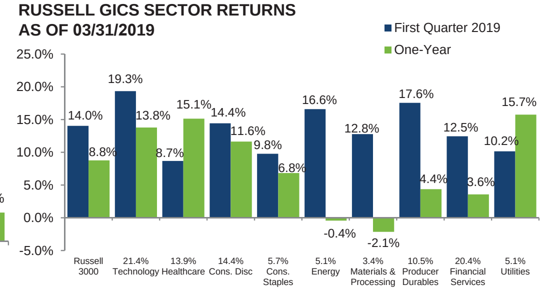
U.S. Equity Markets

RUSSELL STYLE RETURNS AS OF 03/31/2019



Source: Russell Indexes

RUSSELL GICS SECTOR RETURNS AS OF 03/31/2019



Source: Russell Indexes

- With concerns of a slower U.S. economy abating and more promising steps to some U.S.-China trade reconciliation, it is unsurprising that drivers of the U.S. equity market upturn came from sectors traditionally thought to be cyclical or, at least, sensitive to the economic environment. The Dow Jones Total Stock Market Index rose by 14.0% over the quarter with the majority of the strong performance coming earlier in the quarter. The Russell 3000 Index rose 14.0% during the first quarter and 8.8% over the one-year period.
- All sectors generated positive returns over the quarter. In particular, Technology (19.3%) and Producer Durables (17.6%) were the best performing sectors in Q1 2019.
- Performance was positive across the market capitalization spectrum over the quarter. In general, large cap stocks underperformed both medium and small cap stocks over the quarter. Growth stocks outperformed their Value counterparts in Q1 2019; a continuation of a longer-lasting trend where Value stocks have lagged their Growth stock equivalents significantly over the last twelve months.

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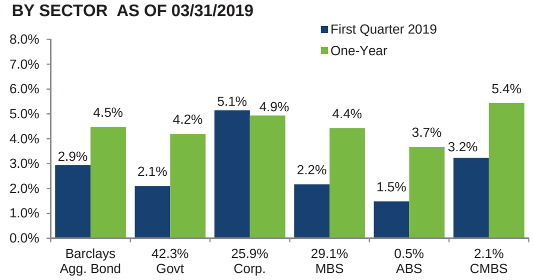
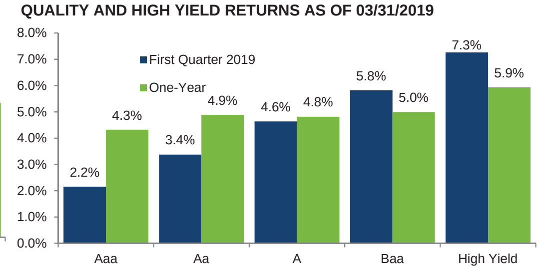
U.S. Fixed Income Markets

BLOOMBERG BARCLAYS AGGREGATE RETURNS BY SECTOR AS OF 03/31/2019



Source: FactSet

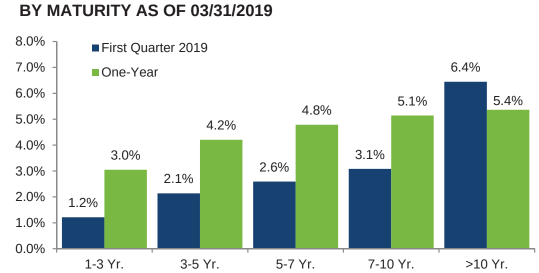
BLOOMBERG BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS AS OF 03/31/2019



Source: FactSet

- The Bloomberg Barclays U.S. Aggregate Bond Index rose by 2.9% over the quarter. Corporate bonds were the best performers, returning 5.1% whilst ABS bonds underperformed with a return of 1.5%.
- Performance was positive across all credit grades. High yield bonds rose the most at 7.3%. Within investment grade bonds, Baa bonds outperformed with a return of 5.8%.
- Long-maturity bonds outperformed intermediate and short-maturity bonds over the quarter. Long-maturity bonds returned 6.4% while short-maturity bonds returned only 1.2% in Q1 2019.

BLOOMBERG BARCLAYS AGGREGATE RETURNS BY MATURITY AS OF 03/31/2019



Source: FactSet

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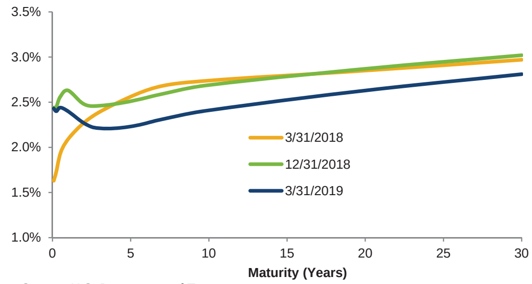
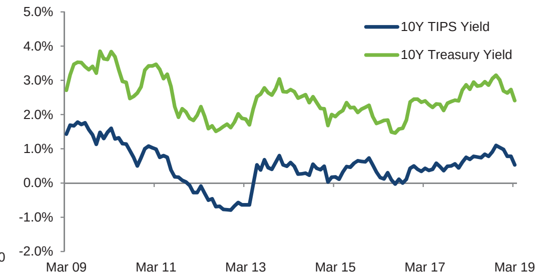
U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



Source: U.S. Department of Treasury

U.S. 10-YEAR TREASURY AND TIPS YIELDS

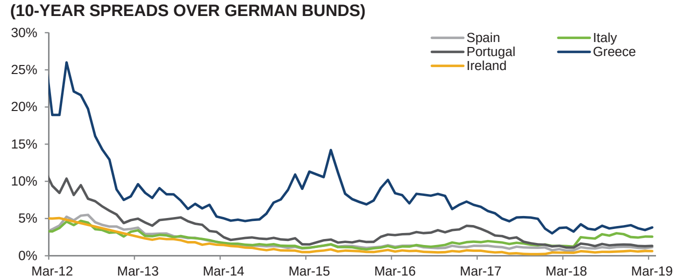


Source: U.S. Department of Treasury

- The U.S. nominal yield curve shifted downwards over the quarter with yields falling across all maturities. The U.S. treasury yield curve flattened significantly in Q1. The difference between three-month and ten-year U.S. treasury yields (a key measure of the U.S. yield curve watched by the Fed and seen as an indicator of a coming recession) turned negative for the first time since August 2007.
- The 10-year U.S. Treasury yield ended the quarter at 2.41%, 28bps lower than at the start of the quarter in which the US Federal Reserve (Fed) decided to pause after hiking interest rates over the past year. Projected rate hikes for 2019 have been abandoned and pushed back later to 2020. Moreover, September is now earmarked as the end of the Fed's balance sheet tightening, while the pace of quantitative tightening will halve from May onwards (from $30bn to $15bn).
- The 10-year TIPS yield fell by 45bps over the quarter and ended the period at 0.53%.

European Fixed Income Markets

EUROZONE PERIPHERAL BOND SPREADS (10-YEAR SPREADS OVER GERMAN BUNDS)



Source: FactSet

- Bond spreads over 10-year German bunds generally fell across the eurozone (except for Italy). The European Central Bank (ECB) pushed back its interest rate to 2020 at the earliest. The ECB announced the third iteration of the Targeted Long-Term Refinancing Operations (TLTRO), aimed at encouraging bank supply of credit. This comes just one quarter after the ECB ended its quantitative easing programme.
- German government bund yields fell by 31bps to -0.07% over the quarter with the yields falling below zero for the first time in two years after the country's manufacturing sector dived deeper into contraction territory. Italian government bond yields fell by 25bps to 2.49% over the quarter. Both Fitch and Moody's credit rating agencies kept their ratings unchanged for Italian sovereign bonds at BBB and Baa3, respectively, easing fears of a downgrade expected by some market participants.
- Portuguese government bond yields fell by 46bps to a record low of 1.25%, as Standard and Poor's upgraded the country's credit rating to BBB.
- Greek government bond yields fell by 62bps to 3.73% over the quarter which saw the successful release of the country's first new bond issuance since it exited its third bailout programme in August 2018.

Credit Spreads

Spread (bps)	3/31/2019	12/31/2018	3/31/2018	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	44	54	41	-10	3
Long Gov't	1	2	1	-1	0
Long Credit	172	200	148	-28	24
Long Gov't/Credit	99	113	88	-14	11
MBS	35	35	29	0	6
CMBS	69	86	67	-17	2
ABS	39	53	48	-14	-9
Corporate	119	153	109	-34	10
High Yield	391	526	354	-135	37
Global Emerging Markets	283	330	230	-47	53

Source: FactSet, Bloomberg Barclays

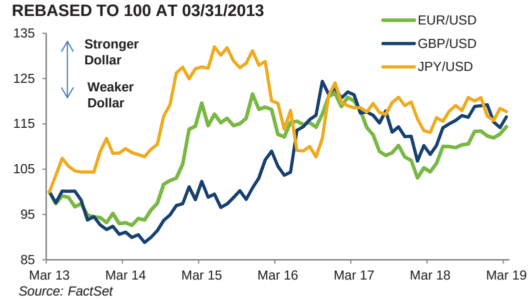
- Against a backdrop of improving risk appetite, credit spreads over U.S. Treasuries generally narrowed over the quarter.
- Broadly retracing the prior quarter's credit spread widening, High Yield bond spreads narrowed significantly in Q1 2019, decreasing by 135bps. This was followed by Global Emerging Markets bonds spreads, which narrowed by 47bps.

Currency

TRADE WEIGHTED U.S. DOLLAR INDEX (1973 = 100)

Source: Federal Reserve

U.S. DOLLAR RELATIVE TO EUR, GBP AND JPY REBASED TO 100 AT 03/31/2013

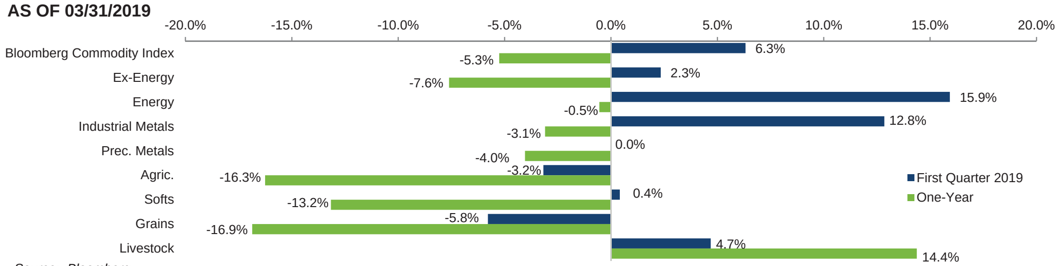


Source: FactSet

- The U.S. dollar had a mixed performance against major currencies over the quarter and ended marginally lower as it fell 0.4% on a trade-weighted basis over the quarter. U.S. dollar appreciated against euro and yen but depreciated against sterling and Canadian dollar.
- In the UK, it became clear over the quarter that a "no deal" Brexit scenario does not seem to have parliamentary backing, prompting sterling to find firmer footing. Sterling appreciated by 2.3% against the U.S. dollar.
- Alongside a more dovish ECB and a weaker economic outlook, the euro notably underperformed, falling against all major currencies. In particular, the euro depreciated by 1.8% against the U.S. dollar.

Commodities

COMMODITY RETURNS
AS OF 03/31/2019

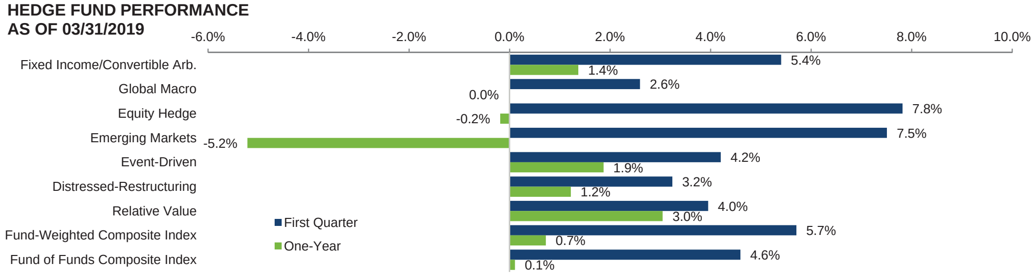


Source: Bloomberg

- Commodities rose over the quarter which saw the Bloomberg Commodity Index return 6.3%.
- Energy was the best performing sector over the quarter with a return of 15.9% as crude oil prices rose sharply. The cut in OPEC's crude oil production, as well as an unexpected fall in U.S. inventories, more than offset the potentially dampening effect on commodity demand from weakening economic growth and trade. The price of Brent crude oil rose by 27.1% to $68/bbl. and WTI crude oil spot prices rose by 32.4% to $60/bbl.
- Agriculture (-3.2%) was the worst performing sector in Q1 2019. Within the Agriculture sector, Softs rose by 0.4% whilst Grains fell by 5.8%.

Hedge Fund Markets Overview

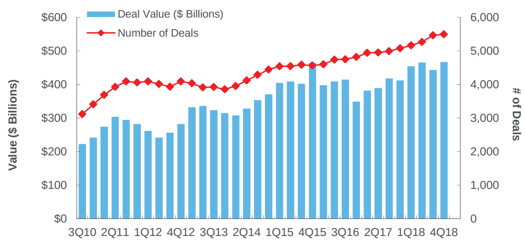
HEDGE FUND PERFORMANCE
AS OF 03/31/2019



Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.
Source: HFR

- Hedge fund performance was positive across all strategies in the first quarter.
- Over the quarter, Equity Hedge and Emerging Markets strategies were the best performers with returns of 7.8% and 7.5%, Conversely, Distressed-Restructuring and Global Macro were the worst performers, returning 3.2% and 2.6% respectively.
- HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 5.7% and 4.6% respectively.

Private Equity Market Overview – Q4 2018 – Slide 1 of 2



- **Fundraising:** In 2018, $459.6 billion was raised by 1,373 funds, which was a decrease of 27.1% on a capital basis but an increase of 0.7% by number of funds from the prior year. Dry powder stood at $1.89 trillion at the end of the year, an increase of 11.8% and 39.9% compared to year-end 2017 and the five-year average, respectively.[1]
- **Buyout:** Global private equity-backed buyout deals totaled $466.9 billion in 2018, which was up 13.3% and 22.3% from 2017 and the five-year average, respectively.[1] At the end of 2018, the average purchase price multiple for all U.S. LBOs was 10.6x EBITDA, flat with year-end 2017 and up from the five-year average (9.9x).[2] Large cap purchase price multiples stood at 10.6x, up compared to the full-year 2017 level of 10.4x.[2] The weighted average purchase price multiple across all European transaction sizes averaged 11.3x EBITDA for year-end 2018, up from the 10.7x multiple seen at year-end 2017. Purchase prices for transactions of €1.0 billion or more increased from 11.6x in 2017 to 11.7x in 2018. Transactions between €500.0 million and €1.0 billion were up 0.8x from the end of 2017, and stood at 11.3x at year-end 2018.[2] Globally, exit value totaled $351.8 billion on 2,072 deals during the year, higher than the $337.1 billion in exits from 2,059 deals during 2017.
- **Venture:** During the year, 5,536 venture-backed transactions totaling $99.5 billion were completed, which was a substantial increase on a capital basis over the prior year's total of $76.4 billion across 5,824 deals. This was 31.6% higher than the five-year average of $75.6 billion.[3] Total U.S. venture-backed exit activity totaled approximately $122.0 billion across 864 completed transactions in 2018, up notably from $92.0 billion across 885 exits in 2017.[4]
- **Mezzanine:** 56 funds closed on $31.7 billion during the year. This was a significant increase from the prior year's total of $12.4 billion raised by 48 funds and represented an increase of 38.4% from the five-year average of $22.9 billion. Estimated dry powder was $58.4 billion at the end of 2018, up by $4.9 billion from the prior year and higher than the $53.1 billion high seen at year-end 2016.[1]

Sources: [1] Preqin [2] Standard & Poor's [3] PwC/CB Insights MoneyTree Report [4] PitchBook/NVCA Venture Monitor [5] Fitch Ratings [6] Thomson Reuters [7] UBS

Notes: FY=Fiscal year ended 12/31; YTD=Year to date; LTM=Last 12 months (aka trailing 12 months); PPM=Purchase Price Multiples: Total Purchase Price ÷ EBITDA.

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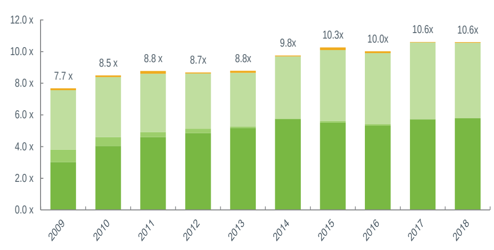
Private Equity Market Overview – Q4 2018 – Slide 2 of 2



- **Distressed Debt**: The LTM U.S. high-yield default rate was 2.4% as of December 2018, which was up from December 2017's LTM rate of 1.3%.[5] During the year, $39.3 billion was raised by 63 funds, lower than the $48.1 billion raised by 72 funds during 2017.[1] Dry powder was estimated at $117.6 billion at the end of 2018, which was up 6.7% from year-end 2017. This remained above the five-year annual average level of $96.4 billion.[1]
- **Secondaries**: 26 funds raised $21.2 billion during the year, down significantly from the $42.8 billion raised by 50 funds in 2017.[1] The average discount rate for all private equity sectors finished the year at 8.9%, higher than the 7.9% discount at the end of 2017.[6]
- **Infrastructure**: $92.9 billion of capital was raised by 75 funds in 2018 compared to $77.8 billion of capital raised by 100 partnerships in 2017. At the end of the year, dry powder stood at $177.0 billion, up from last year's record of $164.0 billion. Infrastructure managers completed 2,454 deals with an aggregate deal value of $322.0 billion in 2018 compared to 3,165 deals totaling $387.0 billion in 2017.[1]
- **Natural Resources**: During 2018, 35 funds closed on $19.1 billion compared to 44 funds totaling $21.9 billion in 2017. Energy and utilities industry managers completed 150 deals totaling $34.4 billion in 2018, compared to $36.9 billion across 130 deals in 2017.[1]

Sources: [1] Preqin [2] Standard & Poor's [3] PwC/CB Insights MoneyTree Report [4] PitchBook/NVCA Venture Monitor [5] Fitch Ratings [6] Thomson Reuters [7] UBS

Notes: FY=Fiscal year ended 12/31; YTD=Year to date; LTM=Last 12 months (aka trailing 12 months); PPM=Purchase Price Multiples: Total Purchase Price ÷ EBITDA.

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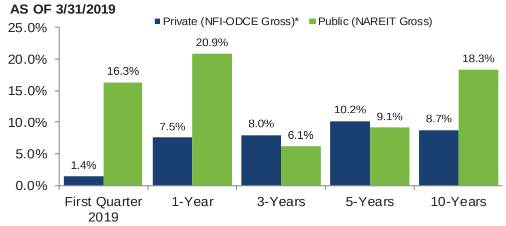
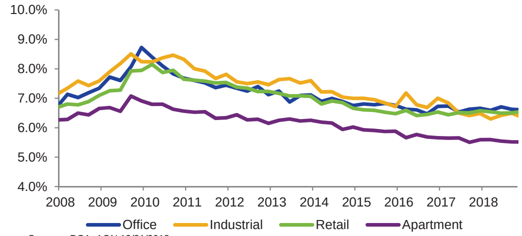
U.S. Commercial Real Estate Markets

PRIVATE VS. PUBLIC REAL ESTATE RETURNS AS OF 3/31/2019



**Second quarter returns are preliminary*
Sources: NCREIF, FactSet

CAP RATES BY SECTOR



Sources: RCA, AON 12/31/2018

- U.S. Core real estate returned 1.42%* over the first quarter, equating to 7.5% total gross return year-over-year, including a 4.2% income return. Debt mark to market was a drag on the quarterly return as a result of declining interest rates. Net income growth is expected to be the larger driver of the total return on a go forward basis given the current point of the real estate cycle.
- Global property markets, as measured by the FTSE EPRA/NAREIT Global Developed Real Estate Index, returned 14.9% (USD) in aggregate during the first quarter. Sector strength was largely attributed to a broader equity market rally due to an abrupt shift in monetary policy across major economies. The EU restarted QE just 2 months after ceasing the program, and the US Fed communicated a general pause from increasing rates for 2019. REIT market performance was driven by Asia Pacific (15.6% USD), North America (16.0% USD) and Europe (12.2% USD). The U.S. REIT markets (FTSE NAREIT Equity REITs Index) gained 16.3% in the first quarter. U.S. 10-year Treasury bond yield fell to 2.41%, after hitting highs over 3% in 2018. The movement was supportive to REIT share prices. Similarly, the German 10-year bond yield fell from .24% back to -0.07% at the end of the quarter.
- According to RCA through February 2019, the U.S. property market has experienced price growth of 6.3% year-over-year across major sectors. In addition, transaction volume was down 4% over the same period.
- Return expectations have normalized, with go forward expectations in line with historical norms. Declining interest rates have led to a rally across various asset classes. According to Preqin, there remains a record amount of dry powder ($326 billion) in closed-end vehicles seeking real estate exposure, which should continue to lend support to valuations and liquidity in the commercial real estate market.

*Indicates preliminary NFI-ODCE data gross of fees

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Total Fund

As of March 31, 2019

Highlights

Executive Summary

- Performance of the Pension Plan, when measured against the Performance Benchmark, has been strong over short- and long-term time periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

Performance Highlights

- During the quarter, the Total Fund underperformed the Performance Benchmark. The Total Fund outperformed the Performance Benchmark during the trailing one-, three-, five-, and ten-year periods.

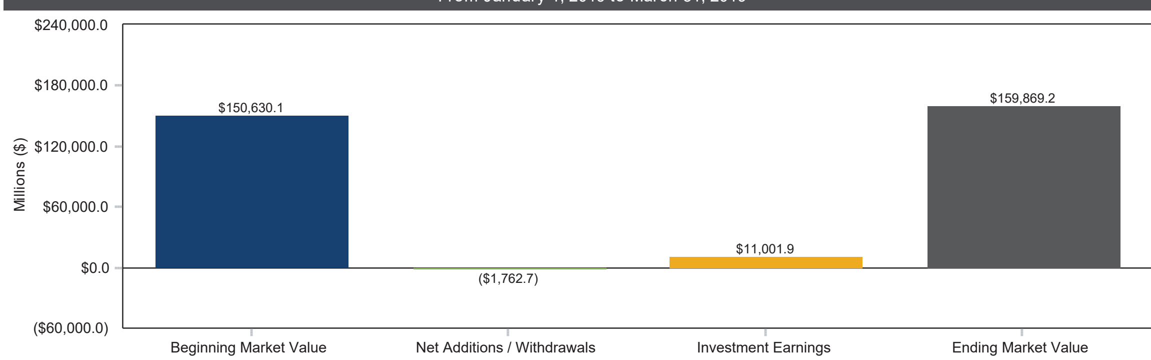
Asset Allocation

- The Fund assets total $159.9 billion as of March 31, 2019, which represents a $9.2 billion increase since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges and in line with the current policy at quarter-end.

Total Fund
As of March 31, 2019

Total Plan Asset Summary

Change in Market Value
From January 1, 2019 to March 31, 2019



Summary of Cash Flow

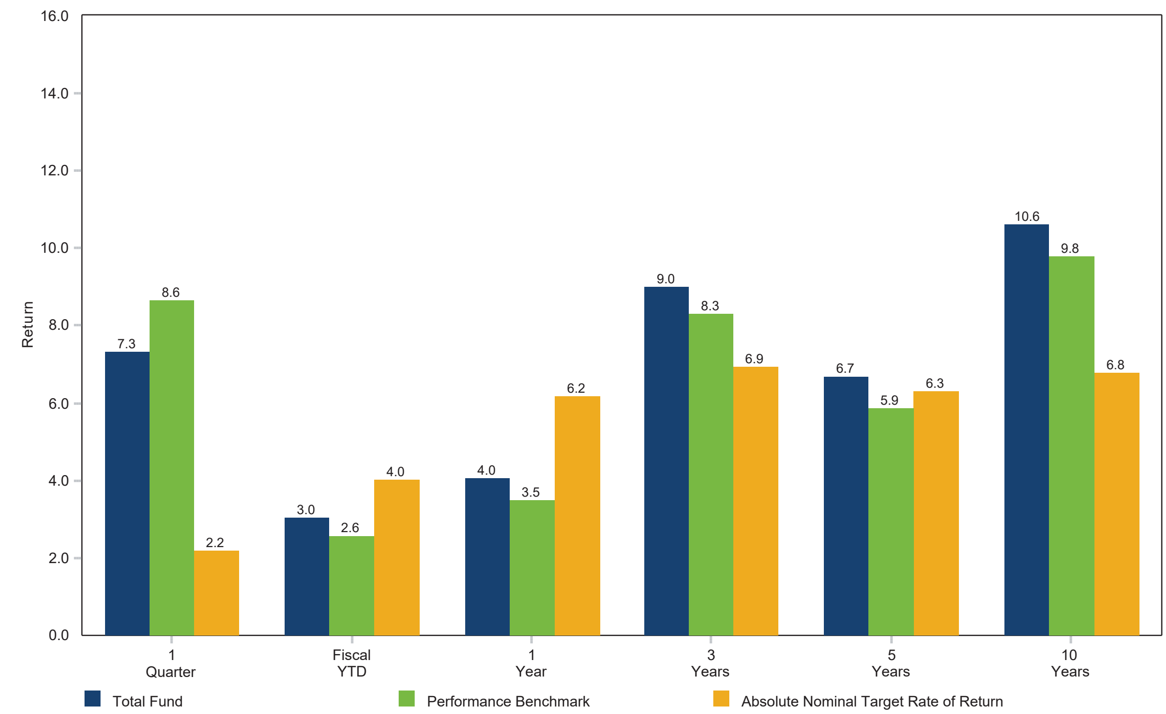
	1 Quarter	Fiscal YTD*
Total Fund		
Beginning Market Value	150,630,063,309	160,438,424,775
+ Additions / Withdrawals	-1,762,715,478	-5,334,630,776
+ Investment Earnings	11,001,864,812	4,765,418,643
= Ending Market Value	159,869,212,643	159,869,212,643

*Period July 2018 - March 2019

Total Fund As of March 31, 2019

Total Plan Performance Summary

Return Summary



As of March 31, 2019

Asset Allocation & Performance

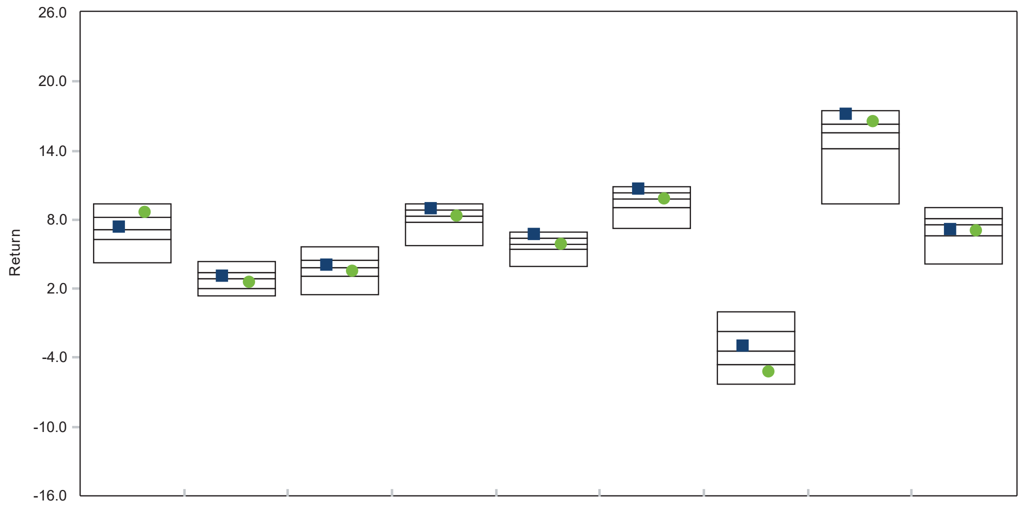
	Allocation			Performance(%)					
	Market Value ($)	%	Policy(%)	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Total Fund	159,869,212,643	100.0	100.0	7.3 (44)	3.0 (45)	4.0 (38)	9.0 (14)	6.7 (14)	10.6 (10)
Performance Benchmark				8.6 (16)	2.6 (64)	3.5 (59)	8.3 (54)	5.9 (51)	9.8 (50)
Absolute Nominal Target Rate of Return				2.2 (99)	4.0 (14)	6.2 (2)	6.9 (90)	6.3 (28)	6.8 (96)
Global Equity*	87,999,159,885	55.0	55.1	12.4	1.4	2.1	11.0	7.0	13.0
Asset Class Target				12.3	1.1	1.9	10.6	6.4	12.2
Domestic Equities	42,032,937,871	26.3		13.8 (55)	4.5 (25)	8.6 (29)	13.4 (30)	10.2 (20)	16.0 (27)
Asset Class Target				14.0 (47)	4.7 (19)	8.8 (26)	13.5 (27)	10.4 (17)	16.0 (30)
Foreign Equities	35,754,952,066	22.4		10.7 (57)	-2.5 (63)	-5.4 (71)	8.6 (24)	3.5 (40)	10.3 (10)
Asset Class Target				10.3 (76)	-2.4 (62)	-5.0 (67)	7.9 (65)	2.7 (84)	9.3 (70)
Global Equities	8,632,580,759	5.4		12.1	3.2	4.5	10.2	7.0	12.4
Benchmark				12.4	2.2	3.8	10.7	6.7	12.5
Fixed Income	30,749,233,242	19.2	19.3	2.3 (90)	4.2 (37)	4.3 (28)	2.0 (81)	2.5 (80)	4.8 (60)
Asset Class Target				2.3 (90)	4.2 (37)	4.3 (28)	1.7 (91)	2.3 (83)	3.5 (93)
Private Equity	11,239,314,137	7.0	7.0	-0.2	9.1	13.9	15.3	14.5	12.9
Asset Class Target				13.3	3.3	4.9	13.6	9.4	17.0
Real Estate	14,801,221,752	9.3	9.3	2.3 (38)	5.3 (46)	7.0 (59)	7.8 (42)	9.8 (49)	8.4 (16)
Asset Class Target				2.9 (18)	5.8 (29)	8.2 (44)	7.4 (60)	9.4 (65)	7.4 (45)
Strategic Investments	13,359,659,561	8.4	8.4	1.3	3.5	5.0	7.7	6.4	11.3
Short-Term Target				3.5	2.2	4.2	5.6	4.4	7.9
Cash	1,720,624,066	1.1	1.0	0.6	1.7	2.2	1.3	0.9	0.8
Bank of America Merrill Lynch 3-Month US Treasury Index				0.6	1.7	2.1	1.2	0.7	0.4

Benchmark and universe descriptions can be found in the Appendix.
* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

As of March 31, 2019

Plan Sponsor Peer Group Analysis

All Public Plans > $1B-Total Fund



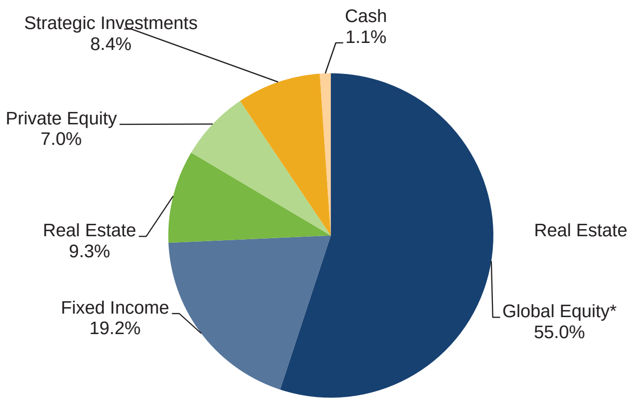
	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2018	2017	2016
■ Total Fund	7.3 (44)	3.0 (45)	4.0 (38)	9.0 (14)	6.7 (14)	10.6 (10)	-3.0 (42)	17.2 (8)	7.1 (64)
● Performance Benchmark	8.6 (16)	2.6 (64)	3.5 (59)	8.3 (54)	5.9 (51)	9.8 (50)	-5.2 (81)	16.5 (22)	7.1 (66)
5th Percentile	9.3	4.4	5.6	9.4	6.9	10.8	0.0	17.5	9.1
1st Quartile	8.2	3.4	4.5	8.8	6.4	10.4	-1.8	16.3	8.1
Median	7.1	2.9	3.9	8.3	5.9	9.8	-3.4	15.6	7.5
3rd Quartile	6.3	2.0	3.1	7.8	5.4	9.1	-4.5	14.1	6.6
95th Percentile	4.3	1.4	1.5	5.8	3.9	7.3	-6.3	9.3	4.2
Population	70	69	69	68	66	63	86	92	91

Parentheses contain percentile rankings.

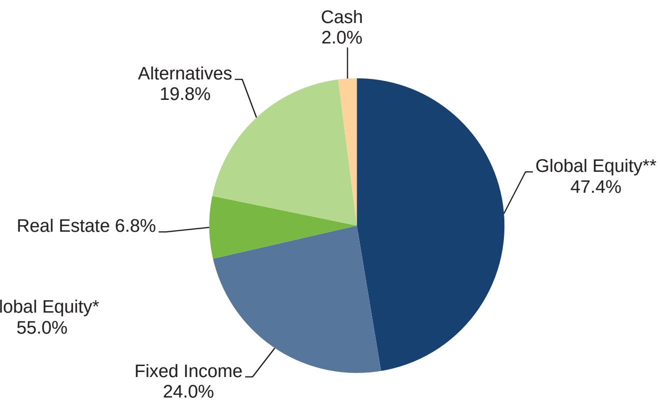
Total Fund **As of March 31, 2019**

Universe Asset Allocation Comparison

Total Fund



BNY Mellon Public Funds > $1B Net Universe

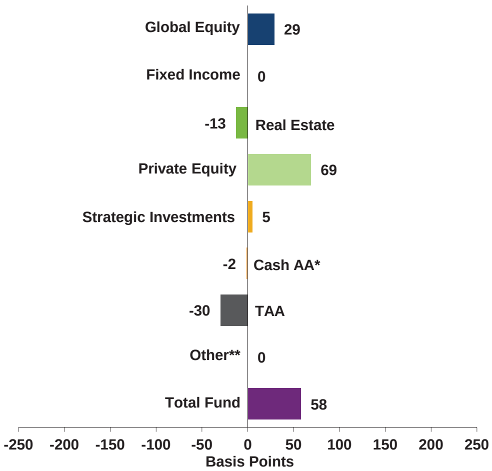


*Global Equity Allocation: 26.3% Domestic Equities; 22.4% Foreign Equities; 5.4% Global Equities; 0.9% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

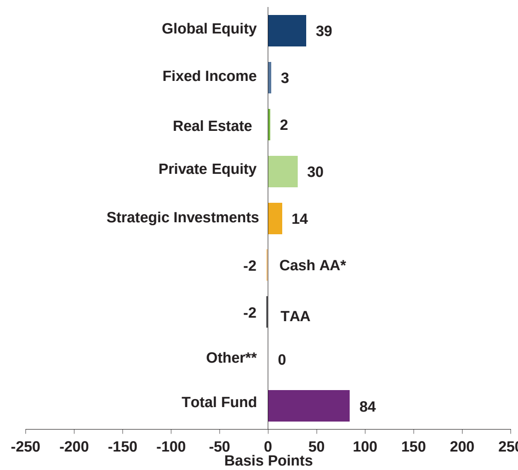
**Global Equity Allocation: 27.5% Domestic Equities; 19.9% Foreign Equities.

Total Fund | As of March 31, 2019

Attribution



1-Year Ending 3/31/2019



5-Year Ending 3/31/2019

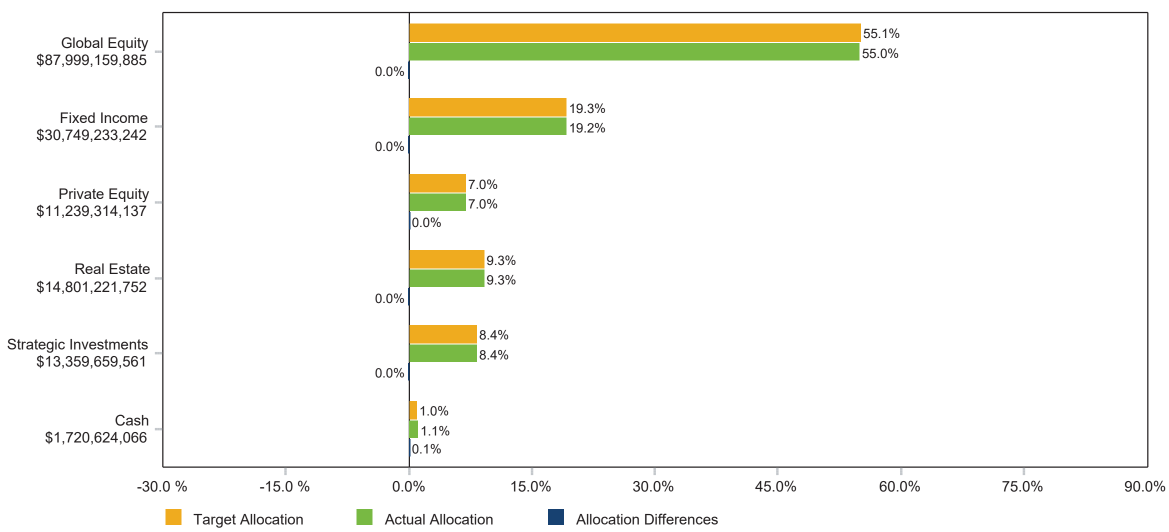
*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

**Other includes legacy accounts and unexplained differences due to methodology.

Total Fund | As of March 31, 2019

Asset Allocation Compliance

	Market Value ($)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	159,869,212,643	100.0	100.0		
Global Equity	87,999,159,885	55.0	55.1	45.0	70.0
Fixed Income	30,749,233,242	19.2	19.3	10.0	26.0
Private Equity	11,239,314,137	7.0	7.0	2.0	9.0
Real Estate	14,801,221,752	9.3	9.3	4.0	16.0
Strategic Investments	13,359,659,561	8.4	8.4	0.0	16.0
Cash	1,720,624,066	1.1	1.0	0.3	5.0



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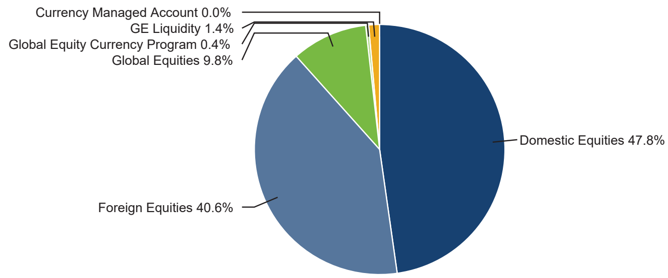
Global Equity

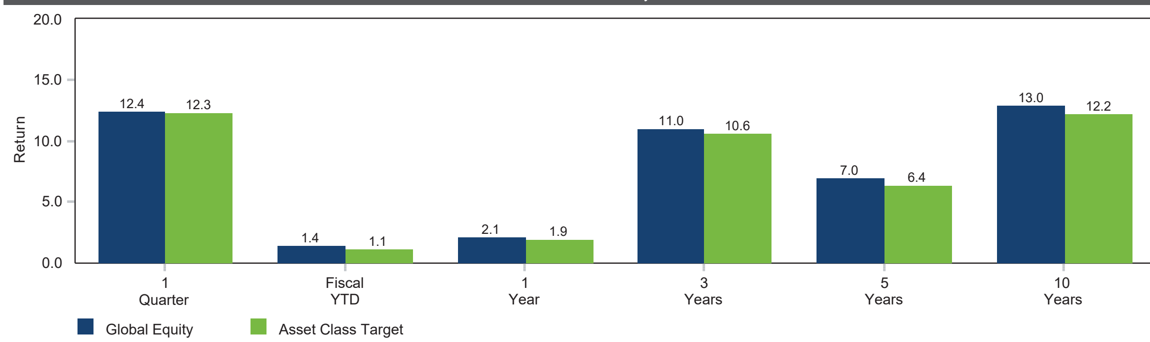
Global Equity* Portfolio Overview

Current Allocation

March 31, 2019 : $87,999M



Return Summary



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

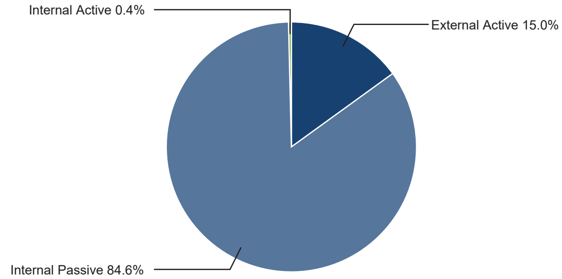
Domestic Equities

As of March 31, 2019

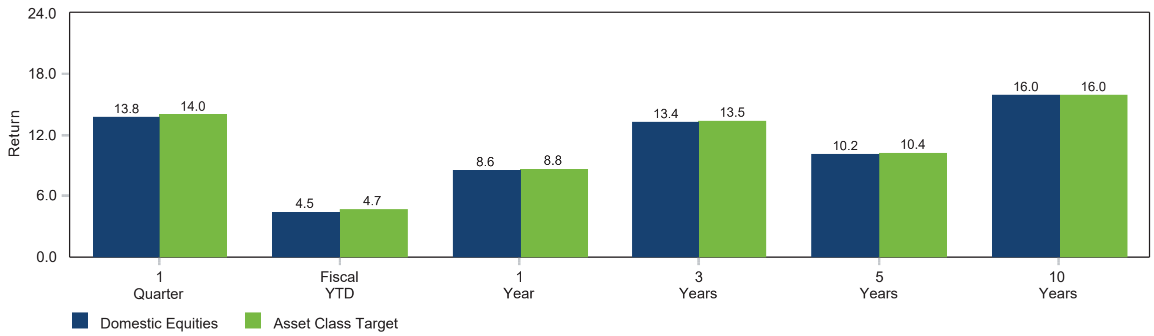
Domestic Equities Portfolio Overview

Current Allocation

March 31, 2019 : $42,033M



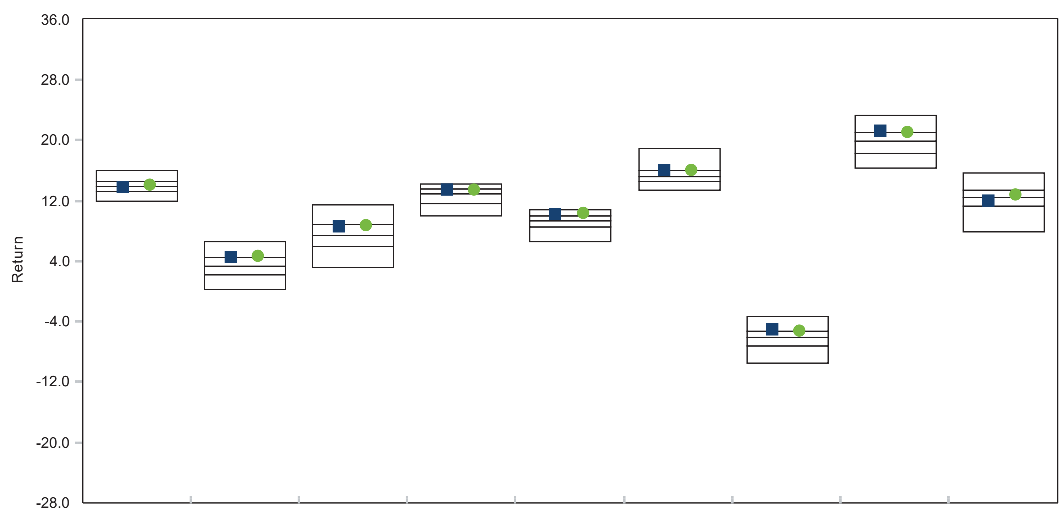
Return Summary



As of March 31, 2019

Plan Sponsor Peer Group Analysis

All Public Plans > $1B-US Equity Segment



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2018	2017	2016
■ Domestic Equities	13.8 (55)	4.5 (25)	8.6 (29)	13.4 (30)	10.2 (20)	16.0 (27)	-5.2 (22)	21.2 (22)	11.9 (63)
● Asset Class Target	14.0 (47)	4.7 (19)	8.8 (26)	13.5 (27)	10.4 (17)	16.0 (30)	-5.2 (25)	21.1 (26)	12.7 (46)
5th Percentile	16.1	6.5	11.4	14.3	10.7	18.9	-3.4	23.3	15.6
1st Quartile	14.5	4.5	8.8	13.6	10.1	16.0	-5.3	21.1	13.4
Median	13.9	3.4	7.4	12.9	9.3	15.2	-6.1	19.9	12.5
3rd Quartile	13.2	2.2	5.9	11.7	8.5	14.5	-7.1	18.3	11.3
95th Percentile	12.0	0.2	3.3	10.0	6.6	13.4	-9.4	16.3	7.9
Population	57	57	57	53	50	34	54	57	56

Parentheses contain percentile rankings.

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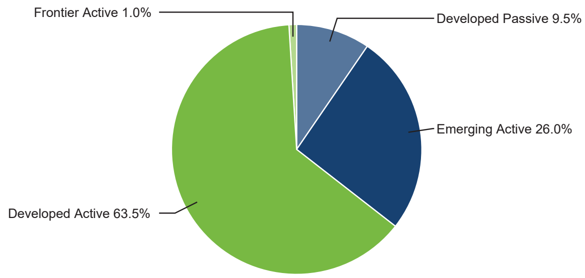
Foreign Equities

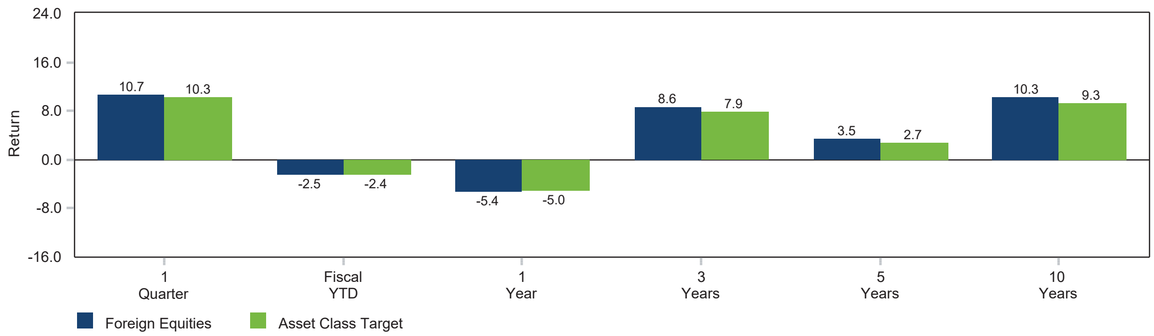
Foreign Equities Portfolio Overview

Current Allocation

March 31, 2019 : $35,755M

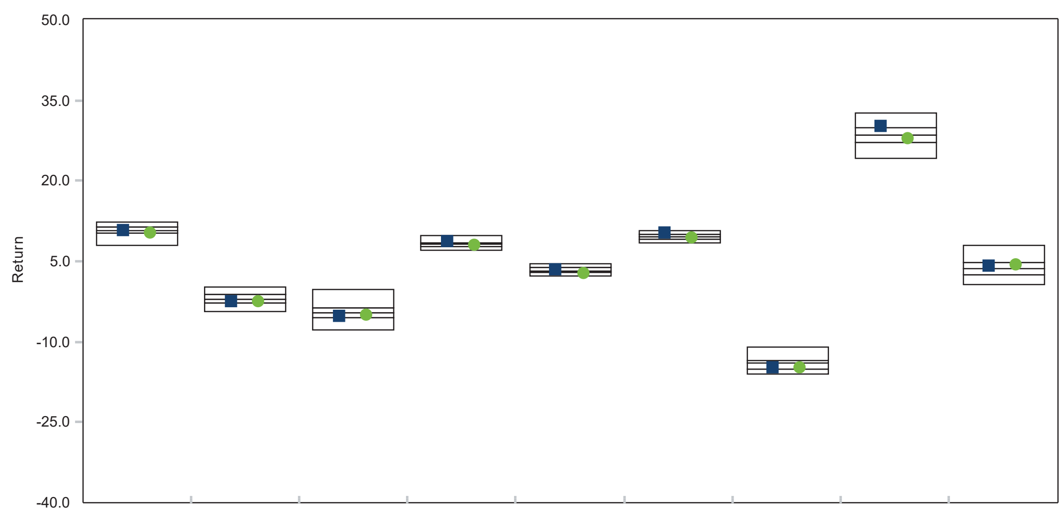


Return Summary



Plan Sponsor Peer Group Analysis

All Public Plans > $1B-Intl. Equity Segment



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2018	2017	2016
■ Foreign Equities	10.7 (57)	-2.5 (63)	-5.4 (71)	8.6 (24)	3.5 (40)	10.3 (10)	-14.9 (73)	30.2 (19)	4.1 (39)
● Asset Class Target	10.3 (76)	-2.4 (62)	-5.0 (67)	7.9 (65)	2.7 (84)	9.3 (70)	-14.8 (72)	27.9 (62)	4.3 (35)
5th Percentile	12.3	0.3	-0.1	9.7	4.5	10.6	-10.9	32.7	8.0
1st Quartile	11.4	-1.2	-3.6	8.5	3.8	10.0	-13.4	29.8	4.7
Median	10.8	-2.1	-4.6	8.2	3.3	9.6	-14.0	28.6	3.5
3rd Quartile	10.3	-2.7	-5.5	7.7	2.9	9.2	-15.0	27.2	2.5
95th Percentile	8.0	-4.4	-7.8	7.1	2.3	8.4	-15.9	24.2	0.6
Population	58	57	57	55	50	30	56	58	58

Parentheses contain percentile rankings.

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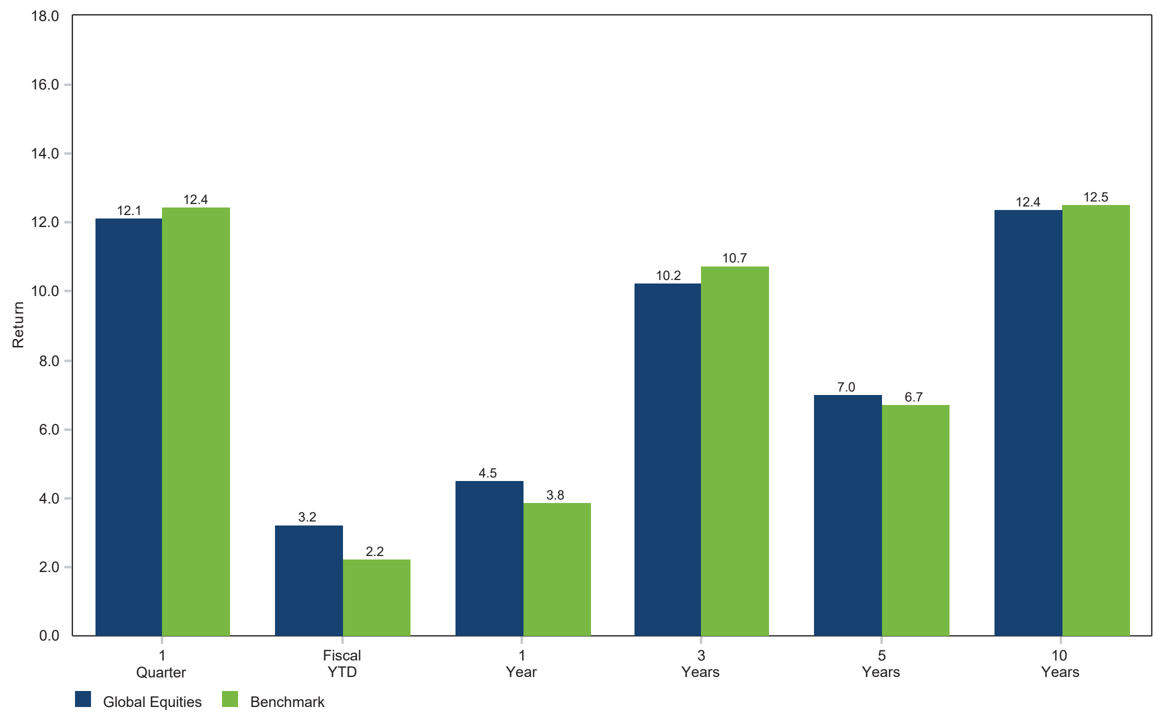
Global Equities

Global Equities Performance Summary

Return Summary

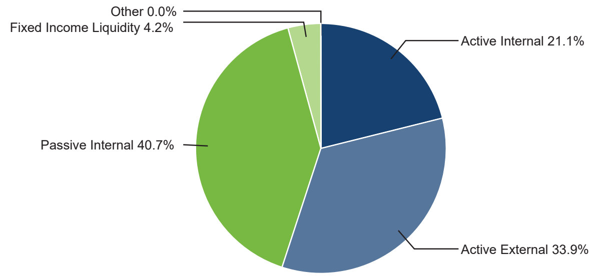


Fixed Income

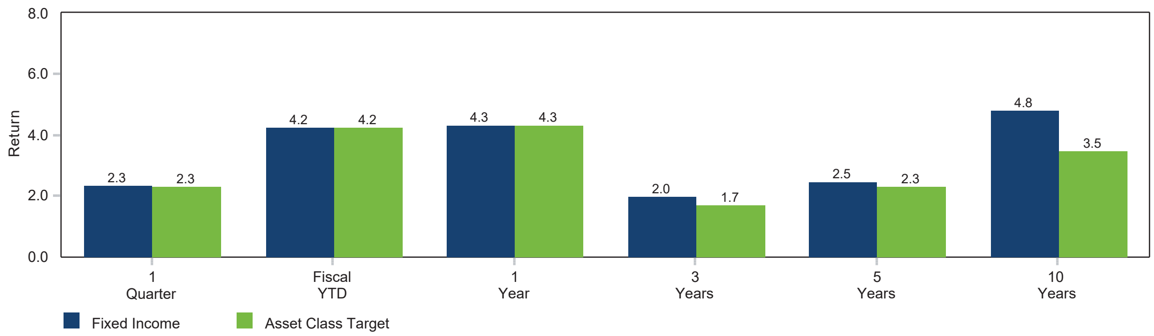
Fixed Income Portfolio Overview

Current Allocation

March 31, 2019 : $30,749M

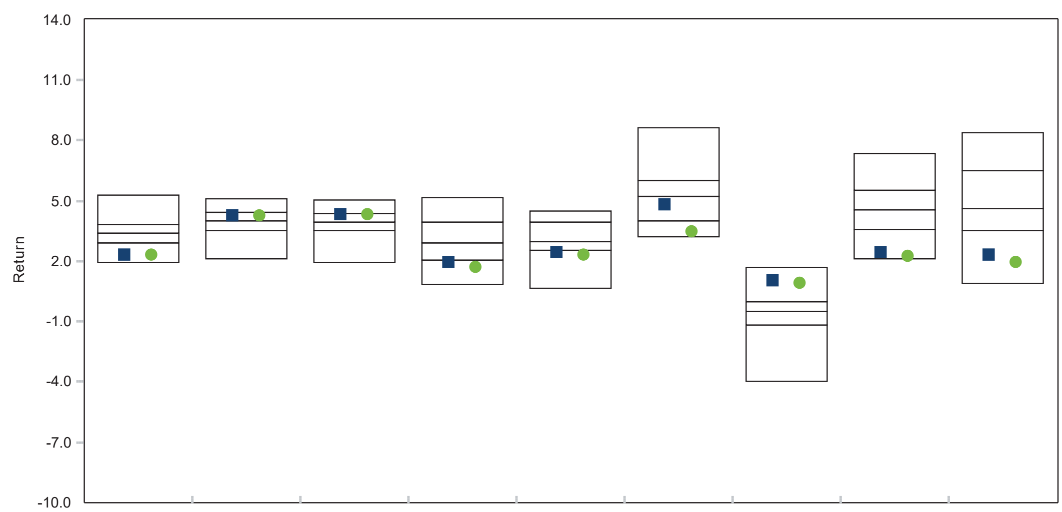


Return Summary



Plan Sponsor Peer Group Analysis

All Public Plans > $1B-US Fixed Income Segment



	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	2018	2017	2016
■ Fixed Income	2.3 (90)	4.2 (37)	4.3 (28)	2.0 (81)	2.5 (80)	4.8 (60)	1.0 (9)	2.4 (93)	2.3 (89)
● Asset Class Target	2.3 (90)	4.2 (37)	4.3 (28)	1.7 (91)	2.3 (83)	3.5 (93)	0.9 (9)	2.3 (94)	2.0 (93)
5th Percentile	5.3	5.1	5.1	5.2	4.5	8.6	1.7	7.4	8.4
1st Quartile	3.8	4.5	4.4	3.9	4.0	6.0	0.0	5.5	6.5
Median	3.4	4.0	4.0	2.9	3.0	5.2	-0.5	4.6	4.6
3rd Quartile	2.9	3.5	3.5	2.1	2.5	4.0	-1.2	3.6	3.5
95th Percentile	2.0	2.1	1.9	0.8	0.7	3.2	-4.0	2.1	0.9
Population	60	59	59	57	54	37	57	60	61

Parentheses contain percentile rankings.

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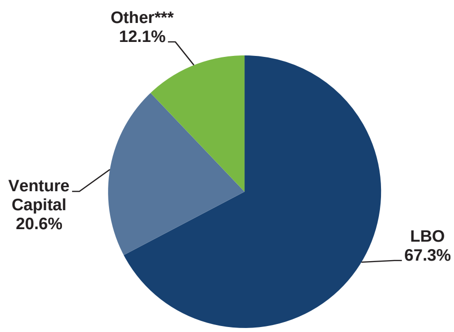
Private Equity

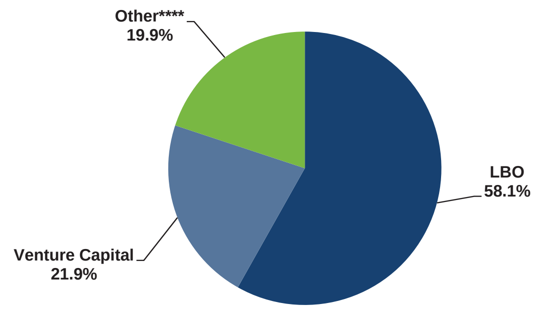
Private Equity As of March 31, 2019

Overview

FRS Private Equity by Market Value*



Preqin Private Equity Strategies by Market Value**

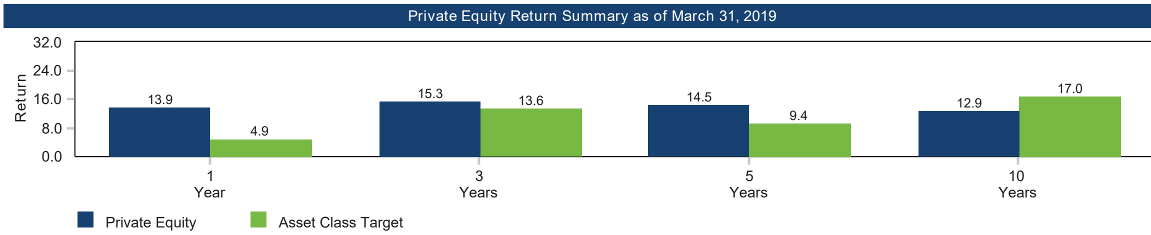


*Allocation data is as of March 31, 2019.
**Allocation data is as of June 30, 2017, from the Preqin database.
***Other for the FRS Private Equity consists of Growth Capital, Secondary, PE Cash, and PE Transition.
****Other for the Preqin data consists of Distressed PE, Growth, Mezzanine, and other Private Equity/Special Situations.
Preqin universe is comprised of 10,000 private equity funds representing $3.8 trillion.

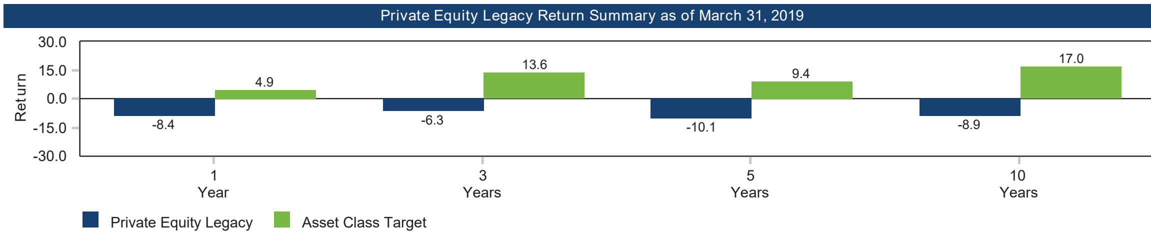
Private Equity

Time-Weighted Investment Results

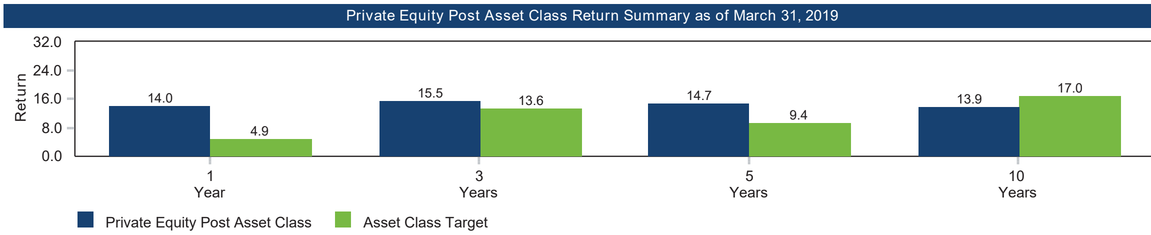
Private Equity Return Summary as of March 31, 2019



Private Equity Legacy Return Summary as of March 31, 2019



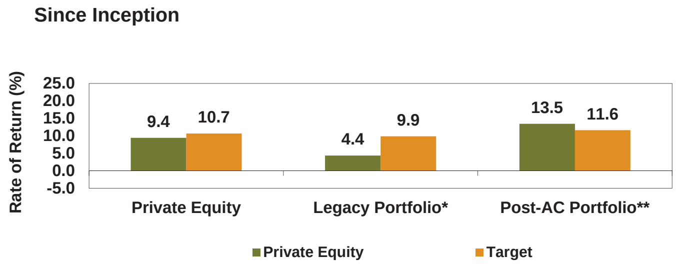
Private Equity Post Asset Class Return Summary as of March 31, 2019



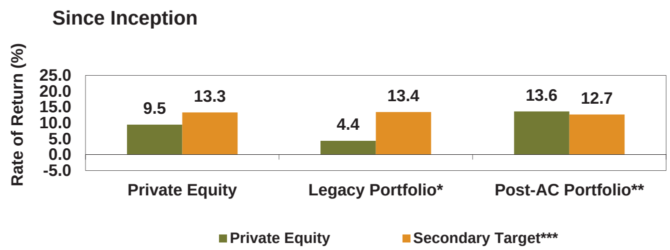
Private Equity

Dollar-Weighted Investment Results

As of March 31, 2019



As of September 30, 2018



*The Inception Date for the Legacy Portfolio is January 1989.
**The Inception Date for the Post-AC Portfolio is September 2000.
***The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.

AON Empower Results®

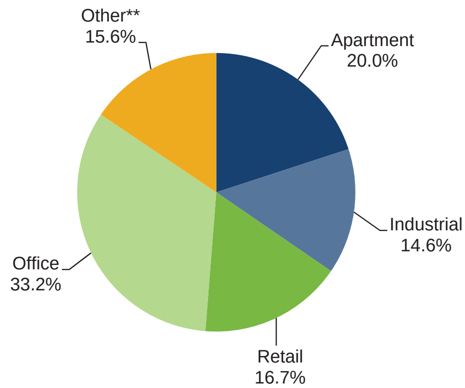
Real Estate

AON Empower Results®

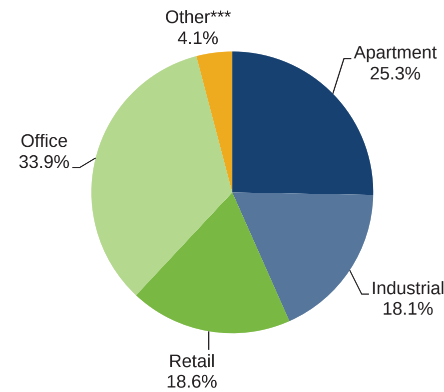
Real Estate As of December 31, 2018

Overview

FRS*



NFI-ODCE Index*



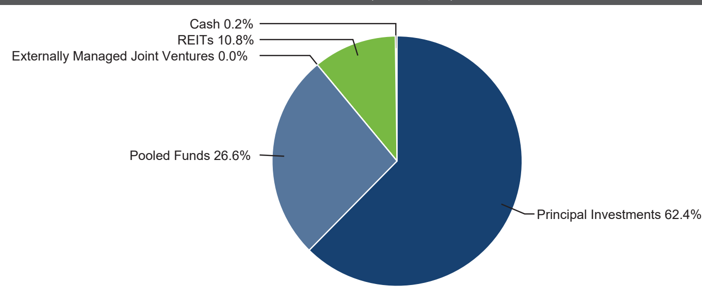
*Property Allocation data is as of December 31, 2018. The FRS chart includes only the FRS private real estate assets. Property type information for the REIT portfolios is not included.
**Other for the FRS consists of Hotel, Land, Preferred Equity, Agriculture, Self-Storage and Senior Housing.
***Other for the NFI-ODCE Index consists of Hotel, Senior Living, Health Care, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.

Real Estate As of March 31, 2019

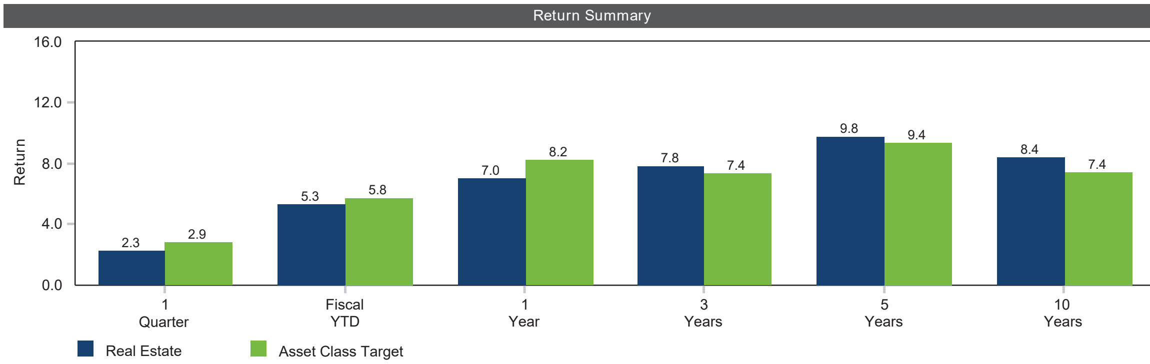
Real Estate Portfolio Overview

Current Allocation

March 31, 2019 : $14,801M

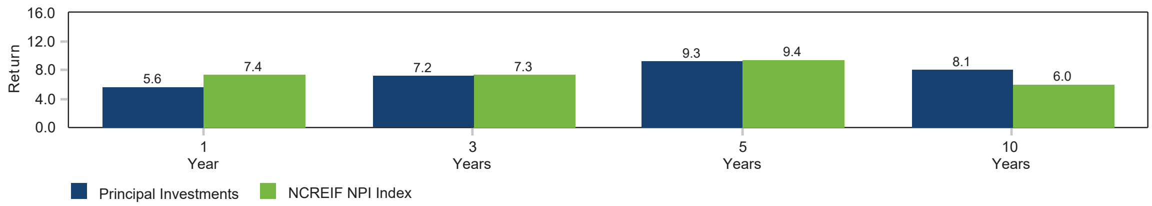


Return Summary

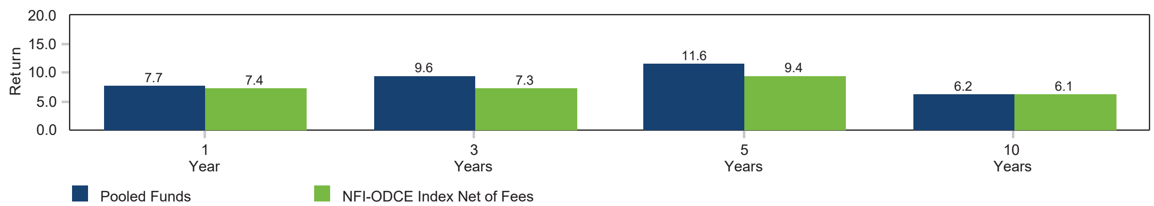


Real Estate

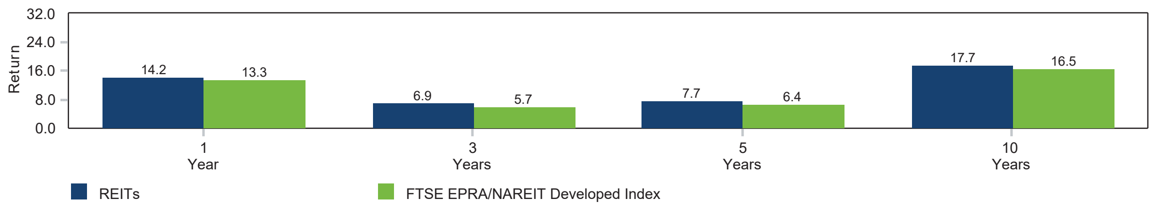
Principal Investments Return Summary as of March 31, 2019



Pooled Funds Return Summary as of March 31, 2019



REITs Return Summary as of March 31, 2019

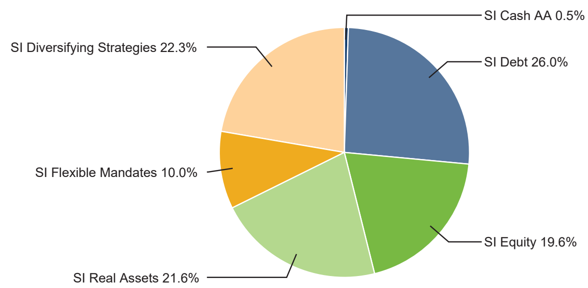


Strategic Investments

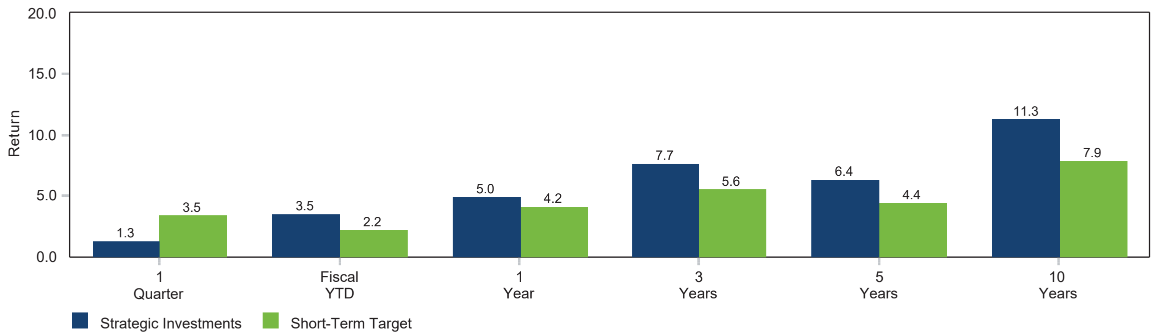
Strategic Investments Portfolio Overview

Current Allocation

March 31, 2019 : $13,360M



Return Summary



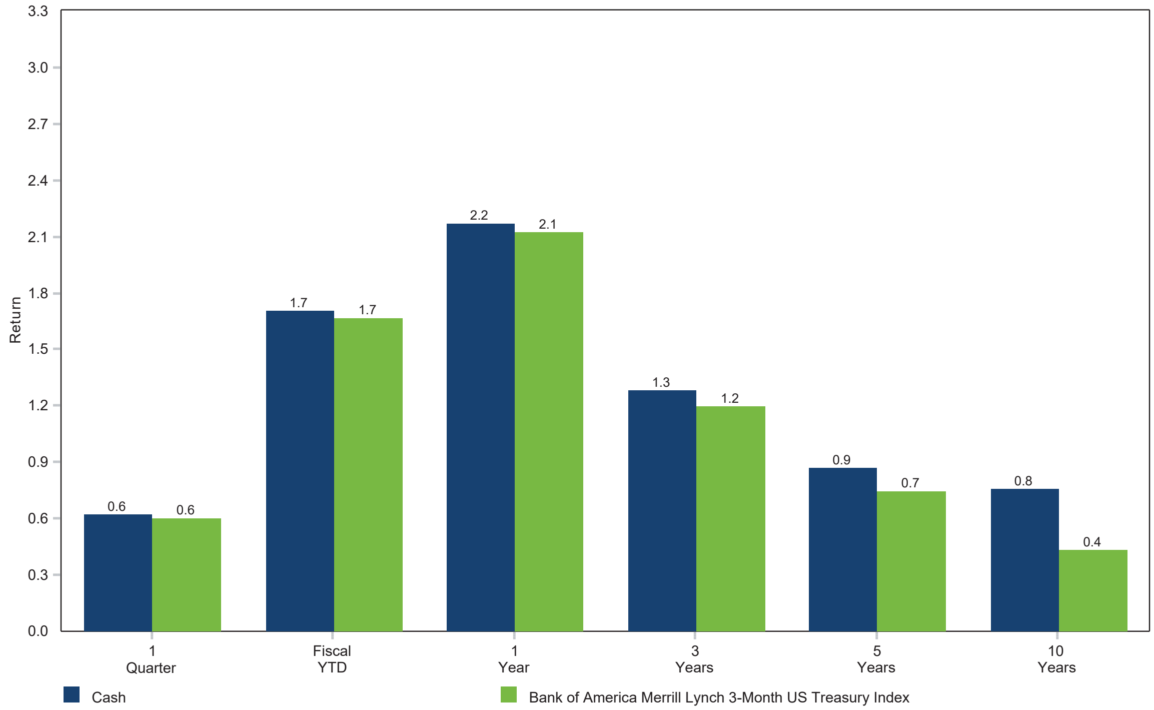
AON Empower Results

Cash

AON Empower Results

Cash Performance Summary

Return Summary



Appendix

Appendix

Total FRS Assets

Performance Benchmark- A combination of the Global Equity Target, the Barclays Capital U.S. Intermediate Aggregate Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the Bank of America Merrill Lynch 3-Month US Treasury Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Please refer to section VII. Performance Measurement in the FRS Defined Benefit Plan Investment Policy Statement for more details on the calculation of the Performance Benchmark. Prior to October 1, 2013, the Performance benchmark was a combination of the Global Equity Target, the Barclays Aggregate Bond Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Prior to July 2010, the Performance Benchmark was a combination of the Russell 3000 Index, the Foreign Equity Target Index, the Strategic Investments Target Benchmark, the Barclays Aggregate Bond Index, the Real Estate Investments Target Index, the Private Equity Target Index, the Barclays U.S. High Yield Ba/B 2% Issuer Capped Index, and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. During this time, the short-term target policy allocations to Strategic Investments, Real Estate and Private Equity asset classes were floating and based on the actual average monthly balance of the Strategic Investments, Real Estate and Private Equity asset classes. The target weights shown for Real Estate and Private Equity were the allocations that the asset classes were centered around. The actual target weight floated around this target month to month based on changes in asset values.

Total Global Equity

Performance Benchmark- A custom version of the MSCI All Country World Investable Market Index, adjusted to exclude companies divested under the provisions of the Protecting Florida's Investments Act (PFIA). Prior to July 2010, the asset class benchmark is a weighted average of the underlying Domestic Equities, Foreign Equities and Global Equities historical benchmarks.

Total Domestic Equities

Performance Benchmark- The Russell 3000 Index. Prior to July 1, 2002, the benchmark was the Wilshire 2500 Stock Index. Prior to January 1, 2001, the benchmark was the Wilshire 2500 Stock Index ex-Tobacco. Prior to May 1, 1997, the benchmark was the Wilshire 2500 Stock Index. Prior to September 1, 1994, the benchmark was the S&P 500 Stock Index.

Total Foreign Equities

Performance Benchmark- A custom version of the MSCI ACWI ex-U.S. Investable Market Index adjusted to exclude companies divested under the PFIA. Prior to April 1, 2008, it was the MSCI All Country World Index ex-U.S. Investable Market Index. Prior to September 24, 2007, the target was the MSCI All Country World ex-U.S. Free Index. Prior to November 1, 1999, the benchmark was 85% MSCI Europe, Australasia and Far East (EAFE) Foreign Stock Index and 15% IFCI Emerging Markets Index with a half weight in Malaysia. Prior to March 31, 1995, the benchmark was the EAFE Index.

Total Global Equities

Performance Benchmark- Aggregated based on each underlying manager's individual benchmark. The calculation accounts for the actual weight and the benchmark return. The benchmarks used for the underlying managers include both the MSCI FSB All Country World ex-Sudan ex-Iran Net Index and MSCI FSB All Country World ex-Sudan ex-Iran Net Investable Market Index (IMI).

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Appendix

Total Fixed Income

Performance Benchmark- The Barclays Capital U.S. Intermediate Aggregate Index. Prior to October 1, 2013, it was the Barclays U.S. Aggregate Bond Index. Prior to June 1, 2007, it was the Fixed Income Management Aggregate (FIMA). Prior to July 1, 1999, the benchmark was the Florida High Yield Extended Duration Index. Prior to July 31, 1997, the benchmark was the Florida Extended Duration Index. Prior to July 1, 1989, the Salomon Brothers Broad Investment-Grade Bond Index was the benchmark. For calendar year 1985, the performance benchmark was 70% Shearson Lehman Extended Duration and 30% Salomon Brothers Mortgage Index.

Total Private Equity

Performance Benchmark- The MSCI All Country World Investable Market Index (ACWI IMI), adjusted to reflect the provisions of the Protecting Florida's Investments Act, plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2014, the benchmark was the domestic equities target index return (Russell 3000 Index) plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2010, it was the domestic equities target index return plus a fixed premium return of 450 basis points per annum. Prior to November 1, 1999, Private Equities was part of the Domestic Equities asset class and its benchmark was the domestic equities target index return plus 750 basis points.

Total Real Estate

Performance Benchmark- The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index- Open-ended Diversified Core Equity, net of fees, weighted at 76.5%, and the non-core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index- Open-ended Diversified Core Equity, net of fees, weighted at 13.5%, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%. Prior to July 1, 2014, the benchmark was a combination of 90% NCREIF ODCE Index, net of fees, and 10% FTSE EPRA/NAREIT Developed Index, net of fees. Prior to July 1, 2010, it was a combination of 90% NCREIF ODCE Index, gross of fees, and 10% Dow Jones U.S. Select RESI. Prior to June 1, 2007, it was the Consumer Price Index plus 450 basis points annually. Prior to July 1, 2003, the benchmark was the Dow Jones U.S. Select Real Estate Securities Index Un-Levered. Prior to November 1, 1999, the benchmark was the Russell-NCREIF Property Index.

Total Strategic Investments

Performance Benchmark- Long-term, 4.0% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmarks.

Total Cash

Performance Benchmark- Bank of America Merrill Lynch 3-Month US Treasury Index. Prior to July 1, 2018 it was the iMoneyNet First Tier Institutional Money Market Funds Net Index. Prior to July 1, 2010, it was the iMoneyNet First Tier Institutional Money Market Funds Gross Index. Prior to June 1, 2007, it was the return of the Merrill Lynch 90-Day (Auction Average) Treasury Bill Yield Index.

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Appendix

Description of Benchmarks

Bank of America Merrill Lynch 3-Month US Treasury Index- Consists of U.S. Treasury Bills maturing in 90 days.

Barclays Capital U.S. Intermediate Aggregate Bond Index- A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of $250 million or greater.

Consumer Price Index (CPI)- The CPI, an index consisting of a fixed basket of goods bought by the typical consumer and used to measure consumer inflation.

FTSE EPRA/NAREIT Developed Index- An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposure and development of income-producing real estate. This index covers the four primary core asset classes (Industrial, Retail, Office, and Apartment).

MSCI All Country World Investable Market Index- A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. This investable market index contains constituents from the large, mid, and small cap size segments and targets a coverage range around 99% of free-float adjusted market capitalization.

NCREIF ODCE Property Index- The NCREIF ODCE is a capitalization-weighted, gross of fee, time-weighted return index. The index is a summation of open-end funds, which NCREIF defines as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests.

Russell 3000 Index- A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This represents most publicly traded, liquid U.S. stocks.

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Appendix

Description of Universes

Total Fund- A universe comprised of 79 total fund portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised $1.5 trillion as of quarter-end and the average market value was $19.6 billion.

Domestic Equity- A universe comprised of 56 total domestic equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $1.3 trillion as of quarter-end and the average market value was $22.4 billion.

Foreign Equity- A universe comprised of 56 total international equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $1.3 trillion as of quarter-end and the average market value was $22.7 billion.

Fixed Income- A universe comprised of 59 total fixed income portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $1.3 trillion as of quarter-end and the average market value was $21.6 billion.

Real Estate- A universe comprised of 43 total real estate portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $1.2 trillion as of quarter-end and the average market value was $26.8 billion.

Private Equity- An appropriate universe for private equity is unavailable.

Strategic Investments- An appropriate universe for strategic investments is unavailable.

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Appendix

Explanation of Exhibits

Quarterly and Cumulative Excess Performance- The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

Ratio of Cumulative Wealth Graph- An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Performance Comparison - Plan Sponsor Peer Group Analysis- An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.

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Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

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Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisor's investment management fees and includes the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by AHIC's investment advisory fees or other trust payable expenses you may incur as a client. AHIC's advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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FRS Investment Plan | First Quarter 2019

Quarterly Investment Review

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FRS Investment Plan

As of March 31, 2019

Asset Allocation & Performance

	Allocation		Performance(%)				
	Market Value ($)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	10,891,029,119	100.0	9.7	3.7	8.8	5.9	9.1
Total Plan Aggregate Benchmark			9.4	3.8	8.4	5.6	8.7
Retirement Date	4,819,612,156	44.3					
FRS Retirement Fund	377,166,266	3.5	6.7 (32)	3.5 (8)	5.7 (54)	3.7 (72)	7.3 (87)
Retirement Custom Index			6.6 (34)	3.7 (6)	5.5 (58)	3.7 (73)	6.9 (89)
FRS 2015 Retirement Date Fund	298,664,143	2.7	6.8 (53)	3.5 (40)	6.3 (55)	4.1 (84)	7.9 (84)
2015 Retirement Custom Index			6.8 (55)	3.7 (36)	5.9 (73)	3.9 (86)	7.7 (86)
FRS 2020 Retirement Date Fund	580,708,907	5.3	7.5 (53)	3.5 (47)	7.3 (37)	4.7 (71)	9.1 (64)
2020 Retirement Custom Index			7.4 (57)	3.7 (41)	6.9 (44)	4.5 (72)	8.7 (70)
FRS 2025 Retirement Date Fund	711,458,753	6.5	8.3 (59)	3.4 (49)	8.2 (33)	5.4 (53)	10.1 (77)
2025 Retirement Custom Index			8.3 (61)	3.5 (45)	7.9 (45)	5.1 (67)	9.8 (81)
FRS 2030 Retirement Date Fund	661,551,172	6.1	9.1 (68)	3.2 (54)	8.9 (35)	5.9 (47)	11.1 (47)
2030 Retirement Custom Index			9.0 (76)	3.4 (49)	8.6 (47)	5.6 (60)	10.8 (55)
FRS 2035 Retirement Date Fund	625,125,343	5.7	9.8 (83)	3.0 (57)	9.7 (37)	6.3 (51)	11.9 (44)
2035 Retirement Custom Index			9.7 (84)	3.1 (52)	9.2 (49)	5.9 (72)	11.5 (82)
FRS 2040 Retirement Date Fund	549,320,314	5.0	10.4 (86)	2.7 (63)	10.0 (39)	6.4 (54)	12.0 (59)
2040 Retirement Custom Index			10.3 (89)	2.9 (60)	9.7 (48)	6.1 (76)	11.7 (66)
FRS 2045 Retirement Date Fund	531,302,865	4.9	10.8 (91)	2.5 (62)	10.2 (46)	6.5 (61)	12.1 (84)
2045 Retirement Custom Index			10.7 (95)	2.7 (60)	10.1 (53)	6.3 (79)	11.8 (93)
FRS 2050 Retirement Date Fund	312,529,303	2.9	11.2 (80)	2.4 (66)	10.2 (53)	6.5 (66)	12.1 (73)
2050 Retirement Custom Index			11.1 (87)	2.6 (64)	10.0 (59)	6.3 (76)	11.8 (78)
FRS 2055 Retirement Date Fund	153,191,192	1.4	11.2 (87)	2.4 (61)	10.2 (62)	6.5 (76)	-
2055 Retirement Custom Index			11.1 (89)	2.6 (60)	10.0 (67)	6.3 (80)	-
FRS 2060 Retirement Date Fund	18,593,898	0.2	11.2 (87)	2.5 (61)	-	-	-
2060 Retirement Custom Index			11.1 (89)	2.6 (60)	-	-	-

As of March 31, 2019

Asset Allocation & Performance

	Allocation		Performance(%)				
	Market Value ($)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
Cash	940,387,928	8.6	0.7 (2)	2.4 (1)	1.5 (1)	1.0 (1)	0.6 (1)
FRS Money Market Fund	940,387,928	8.6	0.7 (2)	2.4 (1)	1.5 (1)	1.0 (1)	0.6 (1)
iMoneyNet 1st Tier Institutional Net Index			0.6 (15)	2.1 (17)	1.2 (17)	0.7 (18)	0.4 (16)
Real Assets	112,354,693	1.0					
FRS Inflation Adjusted Multi-Assets Fund	112,354,693	1.0	7.0	2.2	4.3	1.2	4.4
FRS Custom Multi-Assets Index			7.0	3.1	4.2	1.5	4.5
Fixed Income	620,591,102	5.7	3.7 (1)	4.8 (1)	3.2 (8)	3.1 (1)	4.7 (20)
Total Bond Index			3.4 (1)	4.7 (1)	2.8 (10)	2.9 (1)	4.2 (37)
FRS U.S. Bond Enhanced Index Fund	222,608,446	2.0	3.0 (32)	4.5 (44)	2.1 (2)	2.8 (38)	3.9 (28)
Blmbg. Barc. U.S. Aggregate			2.9 (32)	4.5 (44)	2.0 (3)	2.7 (38)	3.8 (29)
FRS Intermediate Bond Fund	100,767,983	0.9	2.7 (10)	4.5 (1)	2.1 (37)	2.4 (8)	4.0 (39)
Blmbg. Barc. U.S. Intermediate Aggregate			2.3 (43)	4.3 (5)	1.7 (72)	2.3 (10)	3.3 (66)
FRS Core Plus Bond Fund	297,214,673	2.7	4.2 (20)	5.0 (8)	3.8 (23)	3.4 (26)	6.2 (29)
FRS Custom Core-Plus Fixed Income Index			3.8 (40)	4.8 (14)	3.1 (46)	3.1 (43)	5.7 (48)
Domestic Equity	2,993,983,010	27.5	14.4 (40)	7.1 (42)	13.6 (25)	10.1 (29)	16.5 (17)
Total U.S. Equities Index			14.2 (44)	7.5 (39)	13.2 (32)	9.7 (32)	15.9 (26)
FRS U.S. Stock Market Index Fund	1,056,547,236	9.7	14.1 (42)	8.8 (50)	13.6 (43)	10.5 (44)	16.1 (29)
Russell 3000 Index			14.0 (43)	8.8 (51)	13.5 (44)	10.4 (46)	16.0 (30)
FRS U.S. Large Cap Stock Fund	1,012,317,691	9.3	14.1 (33)	5.5 (62)	14.3 (24)	10.5 (32)	16.6 (17)
Russell 1000 Index			14.0 (34)	9.3 (30)	13.5 (30)	10.6 (30)	16.0 (24)
FRS U.S. Small/Mid Cap Stock Fund	925,118,083	8.5	15.8 (37)	5.2 (34)	13.5 (28)	9.2 (19)	17.8 (11)
FRS Custom Small/Mid Cap Index			15.8 (37)	4.5 (36)	12.7 (33)	8.0 (35)	13.6 (85)

As of March 31, 2019

Asset Allocation & Performance

	Allocation		Performance(%)				
	Market Value ($)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
International/Global Equity	726,146,756	6.7	11.3 (36)	-3.6 (23)	9.1 (31)	3.9 (30)	10.1 (34)
Total Foreign and Global Equities Index			10.6 (48)	-3.9 (26)	8.4 (39)	3.2 (42)	9.4 (46)
FRS Foreign Stock Index Fund	286,585,120	2.6	10.6 (46)	-5.0 (35)	8.3 (39)	2.9 (47)	9.4 (48)
MSCI All Country World ex-U.S. IMI Index			10.3 (52)	-5.0 (34)	7.9 (44)	2.6 (54)	9.0 (54)
FRS Global Stock Fund	278,646,091	2.6	14.0 (30)	5.3 (30)	13.4 (14)	9.2 (12)	14.0 (21)
MSCI All Country World Index Net			12.2 (52)	2.6 (46)	10.7 (33)	6.5 (37)	11.9 (49)
FRS Foreign Stock Fund	160,915,546	1.5	13.2 (4)	-4.7 (24)	9.3 (3)	4.3 (1)	10.0 (6)
MSCI All Country World ex-U.S. Index			10.3 (21)	-4.2 (22)	8.2 (8)	2.8 (1)	8.9 (28)
FRS Self-Dir Brokerage Acct	677,953,473	6.2					

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

As of March 31, 2019

Asset Allocation & Performance

	Performance(%)								
	2018	2017	2016	2015	2014	2013	2012	2011	2010
FRS Investment Plan	-5.7	16.4	8.0	-0.9	4.9	15.2	10.5	0.7	10.6
Total Plan Aggregate Benchmark	-5.8	15.5	8.5	-1.3	4.9	14.6	9.7	0.9	10.2
Retirement Date									
FRS Retirement Fund	-3.7 (53)	10.8 (52)	6.2 (59)	-2.6 (100)	4.4 (82)	3.5 (96)	10.7 (59)	3.4 (10)	11.5 (55)
Retirement Custom Index	-3.8 (55)	10.4 (58)	6.2 (59)	-1.8 (98)	3.6 (89)	3.4 (96)	8.5 (78)	5.0 (1)	9.9 (84)
FRS 2015 Retirement Date Fund	-3.8 (54)	12.0 (39)	6.7 (44)	-2.5 (98)	4.4 (78)	5.5 (89)	11.3 (43)	2.1 (20)	11.5 (62)
2015 Retirement Custom Index	-3.9 (57)	11.2 (60)	6.5 (52)	-1.8 (90)	3.7 (92)	5.7 (88)	9.6 (88)	3.2 (1)	10.4 (85)
FRS 2020 Retirement Date Fund	-4.4 (53)	14.0 (24)	7.4 (22)	-2.1 (91)	4.4 (79)	9.6 (75)	12.4 (38)	0.6 (38)	12.2 (64)
2020 Retirement Custom Index	-4.5 (55)	13.3 (47)	7.1 (32)	-1.6 (80)	3.9 (88)	9.7 (75)	11.0 (74)	1.5 (21)	11.2 (86)
FRS 2025 Retirement Date Fund	-5.2 (46)	16.1 (26)	8.0 (14)	-1.7 (80)	4.5 (86)	13.7 (74)	13.5 (43)	-0.7 (35)	12.5 (88)
2025 Retirement Custom Index	-5.3 (51)	15.5 (39)	7.6 (20)	-1.5 (77)	4.2 (91)	13.8 (74)	12.4 (73)	-0.3 (26)	11.8 (93)
FRS 2030 Retirement Date Fund	-6.0 (44)	18.0 (30)	8.5 (18)	-1.3 (63)	4.5 (83)	18.1 (54)	14.6 (34)	-2.1 (50)	13.0 (86)
2030 Retirement Custom Index	-6.0 (45)	17.3 (48)	8.0 (33)	-1.5 (67)	4.4 (83)	18.2 (52)	13.8 (53)	-2.0 (49)	12.5 (91)
FRS 2035 Retirement Date Fund	-6.7 (37)	19.8 (27)	9.1 (17)	-1.4 (51)	4.4 (84)	22.0 (38)	15.8 (23)	-3.0 (46)	13.7 (80)
2035 Retirement Custom Index	-6.8 (38)	18.9 (54)	8.3 (43)	-1.7 (67)	4.3 (85)	22.0 (38)	15.2 (46)	-3.1 (47)	13.3 (89)
FRS 2040 Retirement Date Fund	-7.5 (39)	20.9 (28)	9.2 (17)	-1.4 (55)	4.4 (83)	22.3 (48)	15.8 (36)	-3.0 (38)	13.7 (79)
2040 Retirement Custom Index	-7.5 (39)	20.4 (45)	8.6 (43)	-1.7 (69)	4.3 (84)	22.4 (48)	15.2 (50)	-3.1 (38)	13.3 (85)
FRS 2045 Retirement Date Fund	-8.0 (49)	21.5 (26)	9.4 (18)	-1.5 (53)	4.4 (82)	22.3 (60)	15.8 (38)	-3.0 (26)	13.7 (86)
2045 Retirement Custom Index	-8.0 (49)	21.2 (39)	8.9 (36)	-1.7 (64)	4.3 (83)	22.4 (60)	15.2 (68)	-3.1 (26)	13.3 (89)
FRS 2050 Retirement Date Fund	-8.4 (55)	21.6 (32)	9.5 (20)	-1.5 (58)	4.4 (82)	22.3 (53)	15.8 (36)	-3.0 (20)	13.7 (84)
2050 Retirement Custom Index	-8.4 (55)	21.3 (52)	8.9 (37)	-1.7 (65)	4.3 (82)	22.4 (53)	15.2 (58)	-3.1 (20)	13.3 (87)
FRS 2055 Retirement Date Fund	-8.4 (53)	21.5 (47)	9.3 (27)	-1.4 (54)	4.4 (81)	22.3 (72)	15.8 (45)	-	-
2055 Retirement Custom Index	-8.4 (53)	21.3 (55)	8.9 (33)	-1.7 (63)	4.3 (81)	22.4 (71)	15.2 (75)	-	-
FRS 2060 Retirement Date Fund	-8.3 (52)	-	-	-	-	-	-	-	-
2060 Retirement Custom Index	-8.4 (53)	-	-	-	-	-	-	-	-

As of March 31, 2019

Asset Allocation & Performance

	Performance(%) 2018		2017		2016		2015		2014		2013		2012		2011		2010	
Cash	2.2	(1)	1.2	(1)	0.6	(1)	0.2	(1)	0.1	(1)	0.2	(1)	0.3	(1)	0.2	(1)	0.3	(2)
FRS Money Market Fund	2.2	(1)	1.2	(1)	0.6	(1)	0.2	(1)	0.1	(1)	0.2	(1)	0.3	(1)	0.2	(1)	0.3	(2)
iMoneyNet 1st Tier Institutional Net Index	1.8	(17)	0.9	(17)	0.3	(19)	0.0	(20)	0.0	(23)	0.0	(23)	0.1	(23)	0.1	(23)	0.2	(7)
Real Assets																		
FRS Inflation Adjusted Multi-Assets Fund	-5.5		8.1		6.0		-7.9		3.2		-9.1		9.1		7.4		11.7	
FRS Custom Multi-Assets Index	-5.5		8.1		6.2		-5.0		1.8		-8.9		6.6		4.6		13.0	
Fixed Income	-0.1	(94)	4.4	(2)	4.7	(8)	0.3	(81)	4.7	(1)	-1.1	(84)	6.0	(36)	6.7	(1)	7.6	(30)
Total Bond Index	-0.1	(94)	3.9	(3)	4.3	(9)	0.1	(89)	4.9	(1)	-1.2	(87)	4.8	(62)	7.4	(1)	7.0	(35)
FRS U.S. Bond Enhanced Index Fund	0.0	(64)	3.6	(31)	2.7	(1)	0.7	(37)	6.2	(36)	-2.0	(17)	4.4	(13)	7.9	(67)	6.7	(48)
Blmbg. Barc. U.S. Aggregate	0.0	(65)	3.5	(31)	2.6	(1)	0.5	(47)	6.0	(36)	-2.0	(18)	4.2	(14)	7.8	(68)	6.5	(49)
FRS Intermediate Bond Fund	0.7	(63)	2.4	(20)	3.1	(22)	0.9	(25)	3.4	(13)	-0.5	(63)	4.9	(59)	5.9	(12)	7.0	(35)
Blmbg. Barc. U.S. Intermediate Aggregate	0.9	(53)	2.3	(33)	2.0	(68)	1.2	(9)	4.1	(1)	-1.0	(82)	3.6	(79)	6.0	(11)	6.1	(48)
FRS Core Plus Bond Fund	-0.5	(46)	5.3	(25)	5.7	(27)	0.1	(48)	4.6	(88)	0.8	(20)	11.1	(16)	4.6	(89)	10.1	(27)
FRS Custom Core-Plus Fixed Income Index	-0.4	(39)	4.2	(61)	4.9	(39)	0.2	(42)	5.1	(79)	0.8	(20)	7.8	(51)	7.6	(32)	9.1	(43)
Domestic Equity	-6.5	(45)	20.8	(49)	13.7	(28)	0.7	(34)	11.5	(43)	35.2	(43)	16.9	(34)	0.3	(38)	20.4	(21)
Total U.S. Equities Index	-6.5	(45)	19.6	(56)	14.9	(23)	-0.5	(44)	11.1	(47)	34.0	(54)	16.5	(37)	-0.1	(41)	19.3	(27)
FRS U.S. Stock Market Index Fund	-5.2	(58)	21.2	(56)	12.9	(26)	0.6	(54)	12.6	(34)	33.6	(40)	16.5	(39)	1.0	(39)	17.1	(19)
Russell 3000 Index	-5.2	(58)	21.1	(56)	12.7	(27)	0.5	(55)	12.6	(34)	33.6	(40)	16.4	(40)	1.0	(39)	16.9	(21)
FRS U.S. Large Cap Stock Fund	-7.0	(63)	25.5	(24)	9.3	(58)	2.7	(30)	12.8	(42)	36.4	(22)	17.2	(24)	1.2	(45)	17.8	(19)
Russell 1000 Index	-4.8	(38)	21.7	(43)	12.1	(34)	0.9	(43)	13.2	(33)	33.1	(47)	16.4	(31)	1.5	(42)	16.1	(31)
FRS U.S. Small/Mid Cap Stock Fund	-8.2	(34)	16.3	(55)	19.9	(25)	-1.1	(35)	8.6	(28)	37.1	(46)	18.7	(26)	-0.9	(37)	29.6	(25)
FRS Custom Small/Mid Cap Index	-10.0	(46)	16.8	(51)	19.6	(26)	-4.2	(70)	7.7	(34)	22.0	(98)	15.3	(53)	1.1	(22)	21.3	(85)

Empower Results®

As of March 31, 2019

Asset Allocation & Performance

	Performance(%) 2018		2017		2016		2015		2014		2013		2012		2011		2010	
International/Global Equity	-13.5	(28)	28.6	(50)	4.5	(42)	-2.6	(49)	-3.2	(42)	21.6	(33)	18.6	(53)	-11.3	(23)	10.1	(73)
Total Foreign and Global Equities Index	-14.0	(33)	27.3	(60)	4.9	(38)	-4.4	(56)	-3.0	(41)	20.6	(39)	16.6	(72)	-11.3	(23)	10.1	(73)
FRS Foreign Stock Index Fund	-14.7	(40)	28.3	(53)	5.3	(37)	-4.4	(56)	-4.5	(55)	20.5	(39)	17.6	(63)	-11.8	(27)	9.2	(77)
MSCI All Country World ex-U.S. IMI Index	-14.8	(41)	27.8	(56)	4.4	(42)	-4.6	(56)	-4.2	(51)	21.0	(36)	16.4	(72)	-12.2	(30)	8.9	(78)
FRS Global Stock Fund	-5.6	(20)	29.3	(17)	2.2	(81)	5.6	(13)	3.7	(44)	27.1	(41)	21.0	(15)	-7.4	(47)	13.0	(55)
MSCI All Country World Index Net	-9.4	(46)	24.0	(40)	7.9	(46)	-2.4	(57)	4.2	(39)	22.8	(60)	16.3	(37)	-5.5	(35)	11.8	(60)
FRS Foreign Stock Fund	-14.9	(50)	31.2	(5)	1.0	(63)	-0.5	(21)	-2.3	(17)	20.6	(60)	19.6	(37)	-13.3	(59)	9.8	(35)
MSCI All Country World ex-U.S. Index	-14.2	(32)	27.2	(24)	5.0	(10)	-5.3	(76)	-3.4	(19)	15.8	(80)	17.4	(67)	-13.3	(60)	11.6	(20)
FRS Self-Dir Brokerage Acct																		

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

Empower Results®

FRS Investment Plan **As of March 31, 2019**

Asset Allocation

Asset Allocation as of 3/31/2019	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Cash	Brokerage	Total	% of Total
FRS Retirement Fund	55,443,441	50,917,446	123,710,535	147,094,844			377,166,266	3.5%
FRS 2015 Retirement Date Fund	47,188,935	43,604,965	94,377,869	113,492,374			298,664,143	2.7%
FRS 2020 Retirement Date Fund	117,303,199	108,011,857	167,244,165	188,149,686			580,708,907	5.3%
FRS 2025 Retirement Date Fund	184,979,276	170,750,101	184,979,276	170,750,101			711,458,753	6.5%
FRS 2030 Retirement Date Fund	204,419,312	189,203,635	149,510,565	118,417,660			661,551,172	6.1%
FRS 2035 Retirement Date Fund	221,294,372	203,790,862	118,148,690	81,891,420			625,125,343	5.7%
FRS 2040 Retirement Date Fund	216,432,204	199,403,274	82,398,047	51,086,789			549,320,314	5.0%
FRS 2045 Retirement Date Fund	223,147,203	206,145,512	57,380,709	44,629,441			531,302,865	4.9%
FRS 2050 Retirement Date Fund	136,575,305	125,949,309	22,814,639	27,190,049			312,529,303	2.9%
FRS 2055 Retirement Date Fund	66,944,551	61,736,050	11,182,957	13,327,634			153,191,192	1.4%
FRS 2060 Retirement Date Fund	8,125,534	7,493,341	1,357,355	1,617,669			18,593,898	0.2%
Total Retirement Date Funds	**$ 1,473,727,797**	**$ 1,359,513,010**	**$ 1,011,747,453**	**$ 956,029,997**	**$ -**	**$ -**	**$ 4,819,612,156**	**44.3%**
FRS Money Market Fund					940,387,928		940,387,928	8.6%
Total Cash	**$ -**	**$ -**	**$ -**	**$ -**	**$ 940,387,928**	**$ -**	**$ 940,387,928**	**8.6%**
FRS Inflation Adjusted Multi-Assets Fund				112,354,693	-		112,354,693	1.0%
Total Real Assets	**$ -**	**$ -**	**$ -**	**$ 112,354,693**	**$ -**	**$ -**	**$ 112,354,693**	**1.0%**
FRS U.S. Bond Enhanced Index Fund			222,608,446				222,608,446	2.0%
FRS Intermediate Bond Fund			100,767,983				100,767,983	0.9%
FRS Core Plus Bond Fund			297,214,673				297,214,673	2.7%
Total Fixed Income	**$ -**	**$ -**	**$ 620,591,102**	**$ -**	**$ -**	**$ -**	**$ 620,591,102**	**5.7%**
FRS U.S. Stock Market Index Fund	1,056,547,236						1,056,547,236	9.7%
FRS U.S. Large Cap Stock Fund	1,012,317,691						1,012,317,691	9.3%
FRS U.S. Small/Mid Cap Stock Fund	925,118,083						925,118,083	8.5%
Total Domestic Equity	**$ 2,993,983,011**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,993,983,010**	**27.5%**
FRS Foreign Stock Index Fund		286,585,120					286,585,120	2.6%
FRS Global Stock Fund		278,646,091					278,646,091	2.6%
FRS Foreign Stock Fund		160,915,546					160,915,546	1.5%
Total International/Global Equity	**$ -**	**$ 726,146,756**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 726,146,756**	**6.7%**
FRS Self-Dir Brokerage Acct						677,953,473	677,953,473	6.2%
Total Self-Dir Brokerage Acct						**$ 677,953,473**	**$ 677,953,473**	**6.2%**
Total Portfolio	**$ 4,467,710,809**	**$ 2,085,659,767**	**$ 1,632,338,555**	**$ 1,068,384,691**	**$ 940,387,928**	**$ 677,953,473**	**$ 10,891,029,119**	**100.0%**
Percent of Total	**41.1%**	**19.2%**	**15.0%**	**9.8%**	**8.6%**	**6.2%**	**100.0%**	

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

Empower Results®

As of March 31, 2019

Multi Timeperiod Statistics

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio	3 Years Up Market Capture	3 Years Down Market Capture
FRS Investment Plan	8.85	7.36	1.03	0.46	0.92	103.23	100.41
FRS Retirement Fund	5.72	4.46	1.00	0.35	0.59	101.74	98.35
FRS 2015 Retirement Date Fund	6.31	4.67	1.08	0.37	0.99	102.96	97.39
FRS 2020 Retirement Date Fund	7.29	5.32	1.13	0.36	0.99	103.59	100.61
FRS 2025 Retirement Date Fund	8.22	6.15	1.12	0.37	0.93	103.07	100.58
FRS 2030 Retirement Date Fund	8.94	6.90	1.10	0.39	0.82	102.44	100.18
FRS 2035 Retirement Date Fund	9.73	7.61	1.10	0.47	1.06	103.51	100.42
FRS 2040 Retirement Date Fund	10.02	8.24	1.06	0.44	0.66	101.88	100.18
FRS 2045 Retirement Date Fund	10.21	8.67	1.03	0.44	0.32	100.76	99.77
FRS 2050 Retirement Date Fund	10.22	8.94	1.00	0.46	0.39	101.00	99.87
FRS 2055 Retirement Date Fund	10.19	8.94	1.00	0.45	0.33	100.78	99.73
FRS 2060 Retirement Date Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FRS Money Market Fund	1.51	0.21	6.64	0.03	12.52	128.49	N/A
FRS Inflation Adjusted Multi-Assets Fund	4.35	5.29	0.61	1.15	0.17	101.65	98.82
FRS U.S. Bond Enhanced Index Fund	2.08	2.96	0.31	0.06	0.94	100.58	99.14
FRS Intermediate Bond Fund	2.12	2.18	0.44	0.48	0.83	105.92	91.17
FRS Core Plus Bond Fund	3.79	2.93	0.89	0.63	1.06	113.96	103.69
FRS U.S. Stock Market Index Fund	13.58	11.10	1.10	0.04	1.86	100.33	99.87
FRS U.S. Large Cap Stock Fund	14.28	11.87	1.09	2.13	0.37	105.34	104.43
FRS U.S. Small/Mid Cap Stock Fund	13.49	14.28	0.88	1.45	0.47	101.10	96.27
FRS Foreign Stock Index Fund	8.29	10.69	0.69	1.02	0.32	99.28	95.70
FRS Global Stock Fund	13.35	10.84	1.10	3.24	0.77	111.19	94.69
FRS Foreign Stock Fund	9.32	11.38	0.74	3.25	0.34	103.46	95.88

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Empower Results®

As of March 31, 2019

Multi Timeperiod Statistics

	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio	5 Years Up Market Capture	5 Years Down Market Capture
FRS Investment Plan	5.89	7.74	0.68	0.46	0.56	102.09	100.15
FRS Retirement Fund	3.73	4.99	0.61	0.54	0.11	103.15	104.34
FRS 2015 Retirement Date Fund	4.08	5.33	0.64	0.51	0.29	103.35	103.07
FRS 2020 Retirement Date Fund	4.74	6.09	0.67	0.45	0.42	102.91	102.04
FRS 2025 Retirement Date Fund	5.39	6.93	0.69	0.43	0.57	101.62	99.17
FRS 2030 Retirement Date Fund	5.87	7.75	0.68	0.43	0.58	101.52	99.27
FRS 2035 Retirement Date Fund	6.26	8.64	0.66	0.48	0.79	102.38	99.54
FRS 2040 Retirement Date Fund	6.40	9.17	0.64	0.50	0.55	101.24	99.08
FRS 2045 Retirement Date Fund	6.51	9.45	0.64	0.56	0.37	100.30	98.28
FRS 2050 Retirement Date Fund	6.52	9.61	0.63	0.56	0.41	100.50	98.42
FRS 2055 Retirement Date Fund	6.50	9.60	0.63	0.56	0.38	100.36	98.36
FRS 2060 Retirement Date Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FRS Money Market Fund	0.99	0.24	5.26	0.03	7.96	136.52	N/A
FRS Inflation Adjusted Multi-Assets Fund	1.22	6.16	0.11	1.67	-0.16	109.47	116.13
FRS U.S. Bond Enhanced Index Fund	2.84	2.85	0.74	0.08	1.24	101.18	98.64
FRS Intermediate Bond Fund	2.39	2.11	0.78	0.55	0.14	101.81	99.90
FRS Core Plus Bond Fund	3.44	2.92	0.93	0.58	0.60	109.54	107.35
FRS U.S. Stock Market Index Fund	10.46	11.51	0.86	0.04	2.27	100.32	99.74
FRS U.S. Large Cap Stock Fund	10.49	12.48	0.80	2.42	0.00	105.12	110.65
FRS U.S. Small/Mid Cap Stock Fund	9.22	14.23	0.64	1.63	0.71	102.07	95.35
FRS Foreign Stock Index Fund	2.93	11.86	0.24	1.30	0.22	98.76	96.50
FRS Global Stock Fund	9.16	11.28	0.77	3.07	0.83	106.96	88.27
FRS Foreign Stock Fund	4.26	11.54	0.36	3.75	0.36	94.96	84.55

The returns for the Retirement Date Funds, Inflation Adjusted Multi-Assets Fund, Core Plus Bond Fund, U.S. Large Cap Stock Fund, and U.S. Small/Mid Cap Stock Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

AON Empower Results®

Appendix

AON Empower Results®

Benchmark Descriptions

Retirement Date Benchmarks - A weighted average composite of the underlying components' benchmarks for each fund.

iMoneyNet 1st Tier Institutional Net Index - An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.

FRS Custom Multi-Assets Index - A monthly weighted composite of underlying indices for each TIPS and Real Assets fund. These indices include Barclays U.S. TIPS Index, MSCI AC World Index and the Bloomberg Commodity Total Return Index, NAREIT Developed Index, S&P Global Infrastructure Index, S&P Global Natural Resources Index.

Total Bond Index - A weighted average composite of the underlying benchmarks for each bond fund.

Barclays Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of $250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

Barclays Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of $250 million or greater.

FRS Custom Core-Plus Fixed Income Index - A monthly rebalanced blend of 80% Barclays U.S. Aggregate Bond Index and 20% Barclays U.S. High Yield Ba/B 1% Issuer Constrained Index.

Total U.S. Equities Index - A weighted average composite of the underlying benchmarks for each domestic equity fund.

Russell 3000 Index - A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.

Russell 1000 Index - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

FRS Custom Small/Mid Cap Index - A monthly rebalanced blend of 25% S&P 400 Index, 30% Russell 2000 Index, 25% Russell 2000 Value Index, and 20% Russell Mid Cap Growth Index.

Total Foreign and Global Equities Index - A weighted average composite of the underlying benchmarks for each foreign and global equity fund.

MSCI All Country World ex-U.S. IMI Index - A capitalization-weighted index of stocks representing 22 developed country stock markets and 24 emerging countries, excluding the U.S. market.

MSCI All Country World Index - A capitalization-weighted index of stocks representing approximately 47 developed and emerging countries, including the U.S. and Canadian markets.

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 23 developed and 24 emerging countries, but excluding the U.S.

Descriptions of Universes

Retirement Date Funds - Target date universes calculated and provided by Lipper.

FRS Money Market Fund - A money market universe calculated and provided by Lipper.

FRS U.S. Bond Enhanced Index Fund - A long-term bond fixed income universe calculated and provided by Lipper.

FRS Intermediate Bond Fund - A broad intermediate-term fixed income universe calculated and provided by Lipper.

FRS Core Plus Bond Fund - A core plus bond fixed income universe calculated and provided by Lipper.

FRS U.S. Stock Market Index Fund - A large cap blend universe calculated and provided by Lipper.

FRS U.S. Large Cap Stock Fund - A large cap universe calculated and provided by Lipper.

FRS U.S. Small/Mid Cap Stock Fund - A small/mid cap universe calculated and provided by Lipper.

FRS Foreign Stock Index Fund - A foreign blend universe calculated and provided by Lipper.

FRS Global Stock Fund - A global stock universe calculated and provided by Lipper.

FRS Foreign Stock Fund - A foreign large blend universe calculated and provided by Lipper.

Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisor's investment management fees and includes the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by AHIC's investment advisory fees or other trust payable expenses you may incur as a client. AHIC's advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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Lawton Chiles Endowment Fund | First Quarter 2019

Quarterly Investment Review

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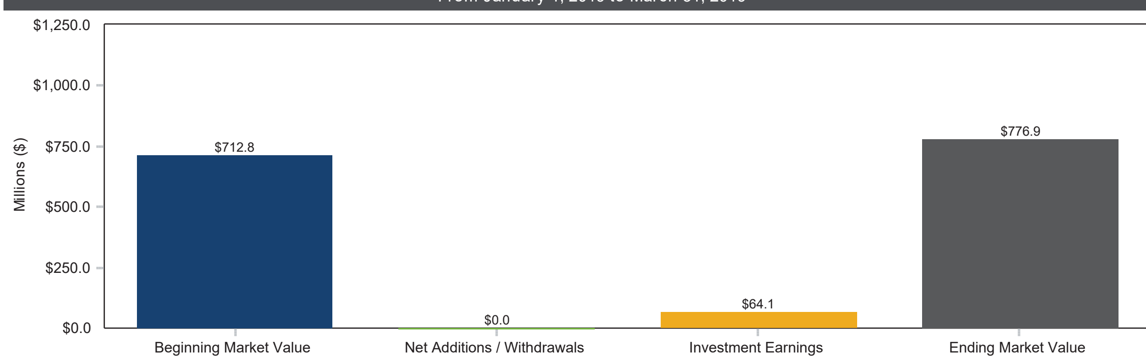
LCEF Total Fund

LCEF Total Fund As of March 31, 2019

Total Plan Asset Summary

Change in Market Value
From January 1, 2019 to March 31, 2019



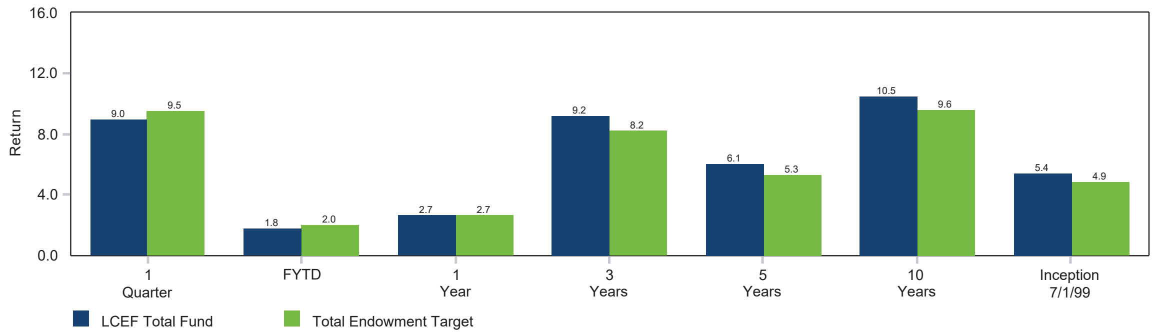
Summary of Cash Flow

	1 Quarter	FYTD*
LCEF Total Fund		
Beginning Market Value	712,819,046	763,121,861
+ Additions / Withdrawals	-	-
+ Investment Earnings	64,087,406	13,784,591
= Ending Market Value	776,906,452	776,906,452

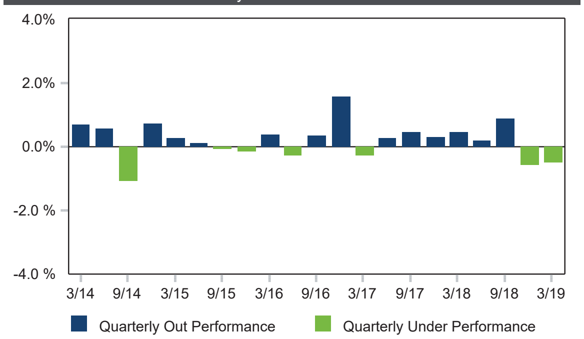
*Period July 2018 - March 2019

Total Plan Performance Summary

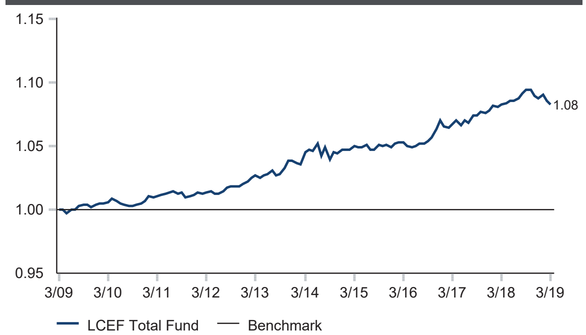
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value ($)	%	Policy(%)	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years
LCEF Total Fund	776,906,452	100.0	100.0	9.0 (29)	1.8 (64)	2.7 (48)	9.2 (8)	6.1 (14)	10.5 (12)
Total Endowment Target				9.5 (18)	2.0 (55)	2.7 (47)	8.2 (28)	5.3 (33)	9.6 (30)
Global Equity*	559,063,521	72.0	71.0	11.6	1.2	2.3	12.0	7.4	14.3
Global Equity Target				12.2	1.2	2.0	10.7	6.3	13.0
Fixed Income	123,823,315	15.9	17.0	3.0 (37)	4.7 (8)	4.6 (12)	2.1 (65)	2.8 (41)	3.7 (85)
Blmbg. Barc. U.S. Aggregate				2.9 (39)	4.6 (12)	4.5 (16)	2.0 (70)	2.7 (52)	3.8 (84)
TIPS	78,981,970	10.2	11.0	3.2	2.0	2.8	1.9	2.1	3.6
Barclays U.S. TIPS				3.2	1.9	2.7	1.7	1.9	3.4
Cash Equivalents	15,037,646	1.9	1.0	0.7	2.0	2.5	1.6	1.1	1.2
S&P US AAA & AA Rated GIP 30D Net Yield Index				0.6	1.7	2.1	1.2	0.8	0.5

Benchmark and universe descriptions are provided in the Appendix.

*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

As of March 31, 2019

Calendar Year Performance

	Performance(%)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
LCEF Total Fund	-6.1 (67)	18.5 (7)	9.2 (15)	-1.4 (54)	5.2 (49)	14.7 (47)	13.2 (36)	1.9 (21)	14.0 (19)	21.2 (45)
Total Endowment Target	-7.0 (84)	17.7 (11)	7.0 (55)	-1.6 (57)	4.3 (62)	12.8 (62)	12.2 (63)	1.5 (25)	13.7 (25)	19.6 (56)
Global Equity*	-8.5	24.5	11.4	-1.9	5.3	27.1	20.4	-1.1	17.0	30.8
Global Equity Target	-9.8	24.1	8.4	-2.4	3.9	24.1	19.4	-2.2	16.1	30.5
Fixed Income	0.1 (55)	3.7 (40)	2.7 (66)	0.6 (42)	6.0 (28)	-1.8 (73)	4.6 (85)	7.6 (44)	7.0 (84)	4.6 (98)
Blmbg. Barc. U.S. Aggregate	0.0 (55)	3.5 (48)	2.6 (66)	0.5 (43)	6.0 (29)	-2.0 (73)	4.2 (89)	7.8 (43)	6.5 (92)	5.9 (93)
TIPS	-1.1	3.2	4.8	-1.2	3.5	-8.7	7.2	13.6	6.1	13.3
Barclays U.S. TIPS	-1.3	3.0	4.7	-1.4	3.6	-8.6	7.0	13.6	6.3	11.4
Cash Equivalents	2.3	1.2	0.7	0.5	0.2	0.2	1.3	0.1	2.0	2.6
S&P US AAA & AA Rated GIP 30D Net Yield Index	1.8	0.9	0.4	0.1	0.0	0.1	0.1	0.2	0.3	0.7

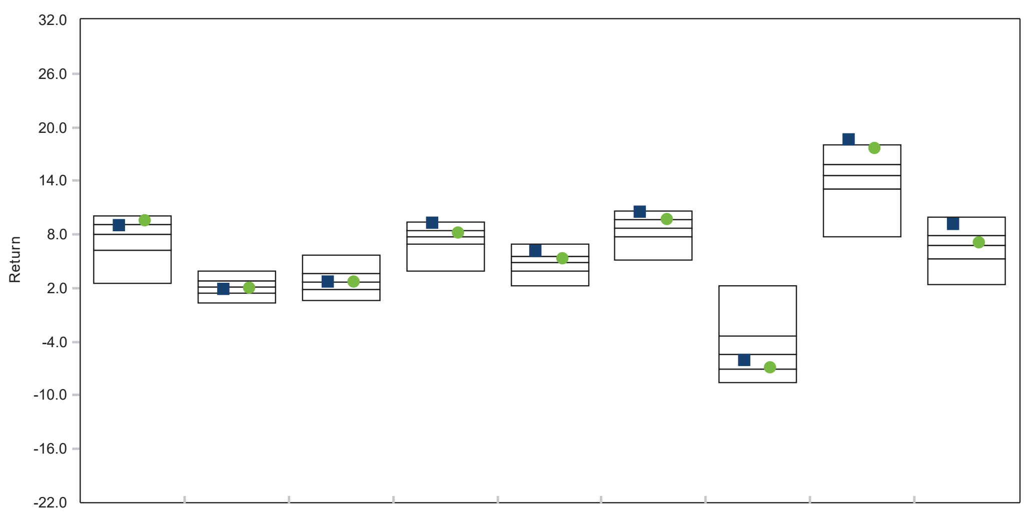
*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

Empower Results*

As of March 31, 2019

Plan Sponsor Peer Group Analysis

All Endowments-Total Fund



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2018	2017	2016
■ LCEF Total Fund	9.0 (29)	1.8 (62)	2.7 (49)	9.2 (7)	6.1 (15)	10.5 (7)	-6.1 (58)	18.5 (3)	9.2 (11)
● Total Endowment Target	9.5 (17)	2.0 (53)	2.7 (49)	8.2 (28)	5.3 (34)	9.6 (26)	-7.0 (75)	17.7 (7)	7.0 (39)
5th Percentile	10.1	3.9	5.8	9.3	6.9	10.6	2.3	18.0	9.9
1st Quartile	9.1	2.8	3.6	8.4	5.5	9.6	-3.4	15.8	7.9
Median	8.0	2.1	2.6	7.7	4.8	8.7	-5.4	14.6	6.7
3rd Quartile	6.3	1.5	1.9	6.9	3.9	7.8	-7.0	13.1	5.3
95th Percentile	2.6	0.3	0.6	3.9	2.3	5.1	-8.6	7.7	2.4
Population	267	261	258	230	207	130	267	273	265

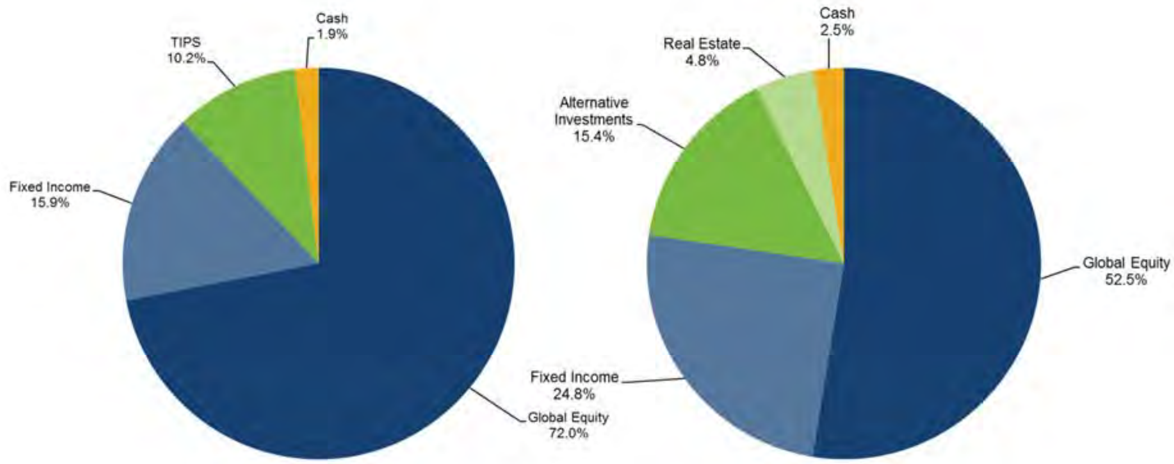
Parentheses contain percentile rankings.

Empower Results*

LCEF Total Fund As of March 31, 2019

Universe Asset Allocation Comparison

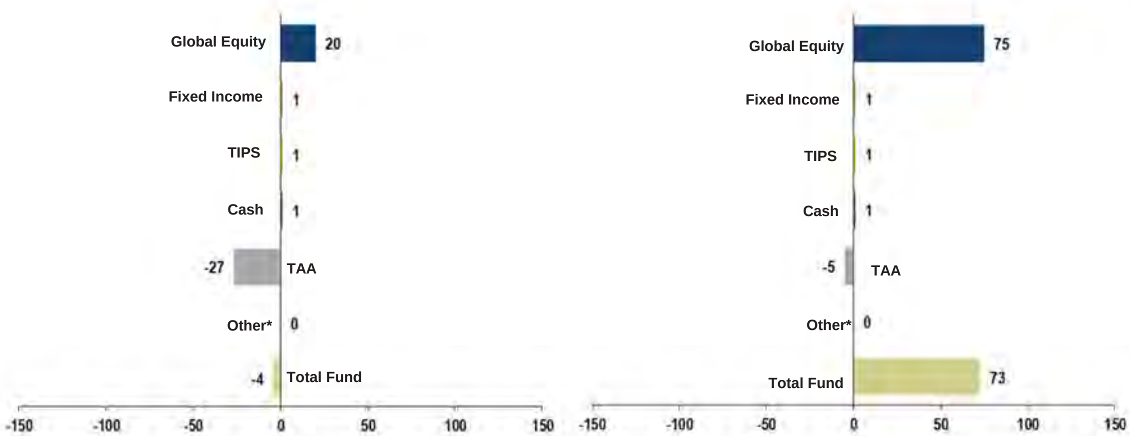
LCEF Total Fund BNY Mellon Endowment Universe



Empower Results®

LCEF Total Fund As of March 31, 2019

Attribution



Basis Points

1-Year Ending 3/31/2019

Basis Points

5-Year Ending 3/31/2019

*Other includes differences between official performance value added due to methodology and extraordinary payouts.

Empower Results®

Appendix

As of March 31, 2019

Benchmark Descriptions

LCEF Total Fund

Total Endowment Target - A weighted blend of the individual asset class target benchmarks.

Total Global Equity

MSCI ACWI IMI ex-Tobacco - From 7/1/2014 forward, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. From 10/1/2013 to 6/30/2014, a custom version of the MSCI ACWI IMI adjusted to reflect a 55% fixed weight in the MSCI USA IMI and a 45% fixed weight in the MSCI ACWI ex-USA IMI, and excluding certain equities of tobacco-related companies. From 9/1/2012 to 9/30/2013, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. Prior to 9/1/2012, the benchmark is a weighted average of both the Domestic Equities and Foreign Equities historical benchmarks.

Total Domestic Equities

Russell 3000 Index ex-Tobacco - Prior to 9/1/2012, an index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices, while excluding tobacco companies.

Total Foreign Equities

MSCI ACWI ex-US IMI ex-Tobacco - Prior to 9/1/2012, a capitalization-weighted index representing 46 countries, but excluding the United States. The index includes 23 developed and 24 emerging market countries, and excludes tobacco companies.

Total Fixed Income

Barclays Aggregate Bond Index - A market value-weighted index consisting of the Barclays Credit, Government, and Mortgage-Backed Securities Indices. The index also includes credit card, auto, and home equity loan-backed securities. This index is the broadest available measure of the aggregate investment grade U.S. fixed income market.

Total TIPS

Barclays U.S. TIPS - A market value-weighted index consisting of U.S. Treasury Inflation-Protected Securities with one or more years remaining until maturity with total outstanding issue size of $500 million or more.

Total Cash Equivalents

S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index - An unmanaged, net-of-fees, market index representative of the Local Government Investment Pool. On 10/1/2011, the S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index replaced the S&P U.S. AAA & AA Rated GIP 30-Day Gross Yield Index, which was previously used from 4/30/08 - 9/30/11. Prior to 4/30/08, it was the average 3-month T-bill rate.

Universe Descriptions

LCEF Total Fund
A universe comprised of 398 total endowment portfolio returns, net of fees, calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised $354.3 billion as of quarter-end and the average market value was $890.2 million.

Total Fixed Income
A universe comprised of 45 total fixed income portfolio returns, net of fees, of endowment plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised $276.5 billion as of quarter-end and the average market value was $6.1 billion.

Explanation of Exhibits

Quarterly and Cumulative Excess Performance - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Performance Comparison - Plan Sponsor Peer Group Analysis - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.

Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisor's investment management fees and includes the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by AHIC's investment advisory fees or other trust payable expenses you may incur as a client. AHIC's advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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